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Cuba

Aldana on Visit to Soviet Union, Relations

FL0207183091 Havana Radio Rebelde Network in Spanish 1212 GMT 2 Jul 91

[Report on an interview with Carlos Aldana, member of the Communist Party of Cuba Central Committee Secretariat, by Radio Moscow International correspondent Viktor Kuzmin, in Moscow, during "Haciendo Radio" program—live]

[Text] [Viktor Kuzmin] Comrade Carlos Aldana, member of the Communist Party of Cuba Central Committee Secretariat, will conclude his visit to the Soviet Union tomorrow. During his visit to the country, Comrade Aldana met with several high-level Soviet leaders. He met with Mikhail Gorbachev, Soviet president and CPSU general secretary; Vladimir Ivashko, CPSU deputy general secretary; Foreign Minister Aleksandr Bessmertnykh; and other high-level Soviet leaders. During an exclusive interview given to this Radio Moscow International correspondent, Comrade Carlos Aldana said the following about his visit.

[Begin recording] [Aldana] I have had the opportunity to meet with numerous officials and leaders. In every case, we were able to converse frankly and directly. I noticed that there is a great debate going on right now in Soviet society. It is being carried on in a climate of security and confidence. I belive this is a very positive fact.

I have information that there are also signs of reverse intolerance in some regions where the predominant forces are very different from the forces that were in control during all those years after the revolution. And now, they have the tendency of being fairly intolerant with those who have remained, for the moment, temporarily in the opposition. All of this has certain interesting nuances for a political or sociological analysis of these processes that are taking place in the USSR.

I believe that what prevails, what is more important, is the assurance with which the people speak and voice their opinions, the freedom they have when they speak. I believe this is an undisputable achievement.

There is a debate going on with various tendencies and forces at play in the political scene. Cubans have great confidence in the ethical and ideological potential, the historical experience, and the lucidity of the Soviet people, the Soviet Communists, and the honorable men of the Soviet society. I believe they will find the solutions that will give continuity to the idea of reform and still preserve everything that has been achieved, all the work that has been done, and that they will find the way to continue being Leninists under the conditions that exist at the end the 20th century.

[Kuzmin] Thank you very much. Comrade Aldana, will you please tell us how you now perceive the outlook of relations between our two countries?

[Aldana] I believe that they are excellent. They are excellent relations because they are historical, solid, and founded on principles. As I have already said, they take precedence over any other consideration. Regardless of which developments prevail in the Soviet Union that express the will of the majority of Soviet people.... [rephrases] There is no reason to think that this can in any way contradict the possibility of relations of friendship, cooperation, and mutual respect between the people of Cuba and the Soviet Union. [end recording]

Rejects Possible Aid Cut

FL0307023091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Jul 91

[Text] Carlos Aldana, a secretary of the Communist Party of Cuba [PCC], today rejected the possibility that the USSR will bow to pressures from Washington to cut its cooperation with Cuba, as U.S. leaders have proposed. Asked about his opinion concerning statements by high-ranking American officials who are trying to link the granting of financial aid to the USSR to a renunciation of Soviet support for Cuba, Aldana said that such pressures are inherent in the political system in Washington.

The party leader evaluated his stay in Moscow as timely and productive, and his meetings as open and of mutual understanding, aimed at strengthening ties in the differing contexts in each country. Aldana stated that delays in deliveries of Soviet products to Cuba are a result of internal situations in the USSR, but said that there is great political will on both sides to normalize the situation. During his stay in the USSR, the PCC secretary met with high-ranking Soviet officials in addition to meeting with President Mikhail Gorbachev.

PRC Anniversary Celebration Stresses Solidarity

FL0207125591 Havana Tele Rebelde Network in Spanish 1100 GMT 2 Jul 91

[Text] The 70th anniversary of the Chinese Communist Party was celebrated last night at the Asian and Oceania Studies Center. PRC ambassador to Cuba, Chen Juichang, pointed out the long road the Chinese people traveled on their struggle for total freedom. He added that the October Revolution brought about Marxism-Leninism that, together with the labor movement, gave place to the creation of the communist party. He pointed out that 40 years after the creation of the new China, all the people, united and guided by the party, have struggled and overcome many difficulties; and have turned China, previously poor and backward, into a socialist country. Chen Juichang said that currently China enjoys political stability, economic development, and social peace.

Melba Hernandez, director of the Asian and Oceania Studies Center, emphasized the respect and admiration with which we celebrate this historic occasion. She recalled how in legendary Shanghai, on 1 July 1991 [as heard], a group of committed men under the leadership of Mao Tse-tung gave

origin to the party that was to lead one of the most famous struggles in human history, the Chinese revolution.

[Begin Hernandez recording] Today, as we celebrate the 70th anniversary of the creation of the Chinese Communist Party we feel first of all, sincere pride and the firm conviction that we have in China a great comrade-in-arms in the historic and current, now more than ever, difficult battle to forge socialism. [end recording]

PCC Delegation Attends ANC Conference

FL0207140391 Havana Tele Rebelde Network in Spanish 1310 GMT 2 Jul 91

[Text] A delegation of the Communist Party of Cuba [PCC] Central Committee, headed by Rodolfo Puentes Ferro, arrived yesterday in Durban, South Africa, to attend the 48th conference of the African National Congress [ANC]. The Cuban ambassador to Namibia, Angel Dalmau, and PCC official Pablo Reyes are also attending the conference.

The ANC, the main antiracist organization in South Africa, for the next five days will conduct its first legal conference in 30 years. About 200 guests have been invited to the conference.

Research Center Views Americas Initiative

FL0207224091 Havana Cuba Vision Network in Spanish 0130 GMT 29 Jun 91

["International View" program with host Valentin Rodriguez and guest Osvaldo Martinez, director of the Center for Research on the World Economy]

[Excerpt] [passage omitted]

[Martinez] There is a very important element to keep in mind at this time, while we are talking about Latin American integration. This is the Initiative for the Americas. We can say that this Initiative for the Americas, launched by President Bush on 27 June 1990, presents Latin America with a real dilemma. The dilemma is whether to promote the integration process for Latin America itself, or to heed as a priority this invitation—as our Jose Marti would have called it—that the United States has again extended to the Latin American countries within a framework that points to an attempt to integrate the Latin American economies into the U.S. economy.

[Rodriguez] Given the desperation, as we could call it, and the pessimism being experienced in Latin American today, experienced by the vast majorities in Latin America today....[changes thought] The Initiative for the Americas appeared exactly one year ago. Today is 28 June, and on 27 June [1990], President Bush's proposal appeared. What is this initiative really?

[Martinez] Well, the Initiative is made up of three parts. Very briefly, one part concerns the foreign debt, another concerns capital investments, and a third part—the most important of all—is the proposal for creating a free- trade zone between the United States and Latin America. We could say that the foreign debt component is quite irrelevant and insignificant. What it proposes is simply to pardon Latin America's public debt to the U.S. Government. This is about $7 billion of a debt that totalled $423 billion by the end of 1990.

[Rodriguez] So it is almost an insignificant percentage.

[Martinez] It is less than 2 percent of the debt, in fact.

[Rodriguez] It is laughable.

[Martinez] So this is completely irrelevant, and therefore, when we sum this up a bit later we will see that one of its primary characteristics is that it proposes no solution to the great problem of Latin America's foreign debt. Another component, the proposal on capital investments, is also quite irrelevant. What it proposes is that over a period of five years a fund will be created of $300 million per year to be invested in Latin America.

Of this $300 million, the United States would contribute only $100 million, and the United States only proposes that it will negotiate for the other $200 million with Japan and the EEC, to contribute $100 million each. This appears to be quite improbable. In any case, in order to put this in context, $300 million is what Latin America pays in only three days to other countries in debt payments and profits from transnational capital that has been invested. So this gives an idea of how small this figure really is.

The third component is the component for creating a free-trade zone. This is really the central component. Here it is interesting to see the reasons the United States has made this proposal.

[Rodriguez] Well, what would this so-called free-trade zone the Initiative proposes really contribute to Latin America?

[Martinez] Well, I think we should keep a little bit in mind why the United States has presented this initiative. We have to consider that many analysts of the problem have pointed out that the Initiative appears to represent a moment in which the United States is reevaluating its policy towards Latin America, paying more attention to the region, and defining a program for this continent. I think that the reasons for this, although I do not think this can be completely proven...[rephrases] but at least the reasons for presenting the Initiative have to do first of all with the trend toward the formation of large economic blocs or regions, which some writers have called super blocs.

They are challenging U.S. international economic hegemony, and they are represented by the EC, which next year will form an extremely strong common market, and the Japanese bloc made up of Japan and its sphere of influence in Southeast Asia. They are increasingly challenging the economic hegemony of the United States. The United States has been suffering an erosion of this hegemony, losing positions financially, in trade, and in international banking activity. The U.S. economy itself is becoming more and more indebted. International

economic competition is occurring and will occur in coming years between these super blocs.

In accordance with this, the Initiative proposes to try to yoke Latin America more strongly to the U.S. economy in order to keep it solidly as an element in this competition against the challenge from Europe and Japan.

[Rodriguez] Well, I would like to ask you why there is this emphasis now by the United States in reaching negotiated agreements with the countries of the region and not in reprisals that are provided for by the U.S. trade legislation itself. What is the reason for this maneuver, as we could call it?

[Martinez] Well, I think that really there is a mixture of two things. The emphasis is very tactical, I think as a function of the opportunities of the moment. We must keep in mind that while on the one hand a so-called Initiative for the Americas is being proposed for Latin America, on the other hand the U.S. law on foreign trade is still in effect. It has a large number of clauses that are clearly restrictive and protectionist with respect to Latin America. You asked a minute ago what real benefits the creation of a free-trade zone would bring. Well, I think that first we must recognize realistically that the U.S. market is an important market, close to, next to Latin America, and of course it is necessary to consider a given level of relations, which are normal and essential in these areas, between the U.S. economy and the Latin American economy.

In spite of this, the Initiative for the Americas presents a number of challenges and very serious dangers, in my opinion, for the Latin American region. The first problem of all is that, as we said a short while ago, it does not resolve the foreign debt problem. It is fundamental to remove this obstacle in order to talk seriously about developing the region. In the second place, regarding the free-trade zone, a free-trade zone between such parties, which are unequal in productivity and economic efficiency, as are the U.S. economy on the one hand and the Latin American economy on the other, can easily become a mechanism to penetrate and destroy Latin American industry. It would be invaded by U.S. exports, while Latin American exports could not in fact compete in a U.S. market into which exports from Japan, Western Europe, and others also enter.

[Rodriguez] There would be a very great deterioration.

[Martinez] So it would be an intensification of the unequal terms of trade, really. Last, I would say that the Initiative has been presented in terms of very strong conditions. That is, in order to supposedly benefit from the Initiative, it is necessary to comply with a package of economic policy demands that is harsher than the one the IMF applies to control foreign debt.

[Rodriguez] Osvaldo, Cuba has always expressed its desire—and it has been the policy of the Cuban revolution—to belong to Latin America and for integration on the continent. Examples are Che [Guevara] at Punta del Este and one of Fidel's statements at the inauguration of a Latin American leader, or president, in 1990. In this current Latin American context and these international circumstances, how could Cuba become part of this integration?

[Martinez] I think that what has been put on the agenda is a greater degree of economic relations between Cuba and Latin America. This is possible and I think it is necessary at this time. I think that rather than formal, institutional integration, in the sense of being part of some of the plans for integration, although Cuba is an observer in ALADI [Latin American Integration Association]—it has not been totally excluded from the process—but rather than this, it is a matter of a greater degree of relations with Latin America. That is, of increasing our trade, our ties of economic, technological, and scientific exchange with Latin America. We have potential in biotechnology, tourism, medical equipment, and sugar industry machinery and technology. Really, we can increase our relations with the Latin American continent.

[Rodriguez] Well, dear viewers, with economies that have been undermined, it would not be possible, in my opinion, to establish real agreements. I think—and you have been able to observe this through Osvaldo's words—that the continent is in a dramatic situation in confronting this new choice that has fallen to it; that is, possible integration. Latin America today does not need to live by appearances. It needs solid facts and actions for its needs. Our intention today was only to acquaint you through this program with a dramatic situation, a really very current situation our continent is experiencing, which is the possible integration of Latin America in the context of international economic relations. Thank you, Osvaldo, for your always appreciated presence on our program, and I hope to see you viewers next week if you are interested in continuing our talks on world events.

Chile's Viera Meets With Castro, Departs

FL0207210591 Havana Tele Rebelde Network in Spanish 1700 GMT 2 Jul 91

[Text] Jose Antonio Viera Gallo, the president of the Chamber of Deputies of the Republic of Chile, left this morning to return to his country. He had been here at the invitation of the National Assembly of the People's Government [ANPP]. The distinguished visitor was seen off by ANPP President Juan Escalona and other officials of the government and the Communist Party of Cuba. Shortly before his departure, Viera Gallo answered questions from our reporter.

[Begin recording] [Unidentified reporter] We would like to know if your expectations for this visit to Cuba have been fulfilled.

[Viera] I think that I am leaving with the great satisfaction of having worked quite intensely, of having made all the necessary contacts, and I only regret that I was here so few days. I think this visit provides a basis so that the friendship between our two countries, between Chile and Cuba, can become stronger and continue into the future.

[Unidentified reporter] What made the greatest impression on you during your visit?

[Viera] Well, there are so many things that it would take too long to say them all, but perhaps it was the mixture that exists in Cuba of, on the one hand, a very great effort by the people to overcome economic and other types of problems, and on the other hand, the effort being made in scientific research. [end recording]

During his three-day stay, the president of the Chilean Chamber of Deputies toured places of social and cultural interest and met with Cuban political leaders. He also met with Commander in Chief Fidel Castro.

[Begin recording] [Viera] Well, I can tell you that I had not seen him for 20 years, since he visited us during the time of President Allende. It was undoubtedly very interesting, not the minutes but the lengthy time I spent with him. I think he has a very broad view of what is happening in Latin America, and I think it was a very interesting meeting.

[Unidentified reporter] Do you think you will return?

[Viera] Well, if my working situation permits it, I would love to return. I hope to return, and hope that many other Chileans can come here.

[Unidentified reporter] So you are happy?

[Viera] Yes, and I hope many Cubans can also go to Chile, and that relations will become closer and closer. [end recording]

* Container Shortages, Recycling Discussed

91CA0157A Havana BOHEMIA in Spanish No 183 May 91 pp 4-7

[Article by Ariel Terrero]

[Excerpts] A pile of torn and dirty cardboard boxes crowns the trash containers placed on the corner of Calzada del Cerro and Zaragoza. A few steps away, people are waiting in line at a grocery store. An elegant mulatta, lightly dressed and with a luxurious appearance, approaches the group and begins to chat. She then goes to the containers and throws up a bundle of newspapers she is carrying. The garbage topples. Newspapers and cardboard boxes spill into the street. The mulatta turns smugly and returns to the line.

The men barely look at the disaster; they look at her. "How disgusting!" an old woman murmurs, but it is not clear whether she is referring to the recently arrived mulatta, the garbage, or the men's lust. It does not occur to anyone that they have just witnessed anything more than an elegant mulatta and a violation of urban sanitation.

Some blocks away the only paper and cardboard recycling plant in the capital languishes. For some months now, only a few trucks loaded with cuttings and other paper scraps have arrived at the Israel Cabrera provincial facility.

Administrator Abelardo Sanchez runs his hands through his gray hair while calculating that today they will succeed in pressing and packing more than 80 tons of paper and cardboard only with great difficulty. In better times they processed some 170 tons a day. A forklift passes by Abelardo with an enormous load recently emerged from the machine. "The last one," he thinks, "until another truck arrives."

In the nearby grocery store, however, there is an outcry of protests: they have run out of paper bags. A bearded young man with no shopping bag argues with the storekeeper that he has no way to carry his eggs. The helpful mulatta comes to the boy's aid. She offers him a nylon bag. "Fo' the eggs," she tells him. The bearded boy is unable to hide his smile. He feels uncomfortable and proud at the same time, envied, studied, hesitant, and at a loss, like the national production of paper bags.

And the situation in Cuban paper factories is quite exasperating. They have stopped receiving significant quantities of a raw material as important as wood pulp: paper that is recycled and processed in plants like the Israel Cabrera: printed brochures and flyers, discarded newspapers, old school books, cardboard boxes, discarded office papers, paper bags, torn-down posters, papers and more papers, rescued, saved from a fate of industrial waste.

Many people do not know that used paper is converted into new paper through the efforts of raw materials recycling technology; or they know it but continue to discard it, condemning it to useless death, denying it the possibility of resurrection. Two-thirds of the paper circulating in Cuba is lost, while factories are in anguish because they are unable to satisfy the demand for paper bags, boxes, wrappers, toilet paper, egg cartons, paper for the paper recycling campaign...[passage omitted]

The Short Arm and the Long Escape

The uncertainty of commercial operations and the reduced quantity of paper imported from the Soviet Union has forced the Cuban Government to cut back on newspaper and magazine printing. Now GRANMA circulates five days a week, JUVENTUD REBELDE and TRABAJADORES only one day, and BOHEMIA has reduced the number of its pages to 66 as well as the number of editions. Other publications have disappeared.

The production of printed brochures and flyers has contracted significantly; so to has the volume of scraps and discarded paper and cardboard generated in those facilities, which is the primary source of recycled paper.

In 1991 the country will try to recycle some 75,000 tons, almost 25 percent below normal. Informed sources state, however, that the potentially recyclable volume is some 200,000 tons. Cardboard boxes, paper bags, cement sacks, newspapers, and office paper are lost in the thousand nooks and crannies of daily domestic and work life.

The arm of recycling does not appear to reach far enough.

The Union of Raw Materials Recycling Enterprises has calculated that out of 70 million multi-lable sacks (used to hold sugar, cement, feed, etc.) that will circulate this year in this country, 43.4 million could go unrescued: 9,200 tons of high-quality "kraft" paper lost in agricultural enterprises, construction works and businesses, primarily. The same fate occurs in homes, with almost all gazetteer paper that could be turned into newspapers and magazines. In businesses and stores one-eighth of all cardboard boxes are lost, according to those calculations. [passage omitted]

Semi-Clandestine Stores

The campaign has been timely in orchestrating a rapid, effective and cooperative response in the face of economic and political hardship. But it is condemned, in essence, to fail sooner or later, when another emergency arises demanding a concentration of efforts and resources in a new direction.

Success, then, will not be measured in tons of paper and cardboard saved in some industrial dump. The guarantee of victory is in the machinery that can be adjusted and improved to recover, in a sustained and efficient manner, the raw materials found in any corner of a home, business, industrial dump or neighborhood.

The road to stability also lies in stores dedicated to the purchase of raw materials from the people. Any idiot can pocket 60 pesos by bringing a ton of paper and cardboard to these establishments. But who will bother to carry a ton?

These stores, relatively unknown in the city of Havana—in other provinces it is more difficult to go unnoticed—primarily serve to purchase cans and bottles; until now, they have paid scant attention to paper. Nor have the people concerned themselves much with bringing in newspapers or cardboard boxes.

Neither mechanism is very practical—who is able to go around calculating how many old newspapers weigh a ton?—nor are prices very stimulating: one would have to gather a month's worth of newspapers (30 editions) to earn more or less one centavo.

For the time being, the State is studying measures, the Union of Raw Materials Recycling Enterprises is adjusting its mechanisms, the CDRs [Committees for the Defense of the Revolution] are exhorting, the pioneers are carrying out a paper war, while people are examining how to recycle what is left after utilizing, in unusual and desperate ways, the few newspapers that come into the house, and some elegant mulatta goes around thinking how to avoid having to continue discarding, toppling piles, attentive to—no, ignorant of—the fragility of this world of paper.

Dominican Republic

Police, Armed Forces Declare Strike Illegal

FL0207123591 Santo Domingo Cadena de Noticias in Spanish 1115 GMT 2 Jul 91

[Text] Last night, the Armed Forces and police declared illegal the strike that is to begin tomorrow at 0600 under the auspices of the Collective of Peoples' Organizations. Through a joint communique the armed institutions announced their support for the measures adopted by President Joaquin Balaguer.

The Armed Forces and police declared that they will take whatever measures are necessary to guarantee public order nationwide during the strike action. The communique was signed by Armed Forces Secretary Hector Garcia Tejada and National Police Chief Ramon Alsides Rodriguez Arias.

* Jan-Apr Revenues Up 21 Percent

91CA0155A Santo Domingo EL SIGLO in Spanish 7 May 91 p 3-D

[Report by Mozart de Lancer]

[Text] The government's domestic revenues were up 21.1 percent during the first four months of this year from the same period last year, increasing from 2.0551 billion to 2.4902 billion Dominican pesos, a jump of 435.1 million.

The increases during the first three months of this year from January, February, and March of last year are noteworthy, whereas revenues were down in April of this year from the same month in 1990 (preliminary figures), dropping from 596.3 to 437.6 million pesos.

In spite of the nominal overall increase, the revenues entering the public coffers declined in "real terms" during this period because inflation hit 100 percent last year.

This means that in order for the government to maintain the same level of spending as last year, it had to least double its revenues during the first four months of this year compared to the same period in 1990.

The feeling is that this situation has been compounded by the domestic economic recession. This can be seen in almost all sectors of the nation's economy, and the effects are reflected in the government's declining revenues.

The National Budget Directorate says that in March of this year the government's revenues totaled 635.2 million pesos, of which 205.6 million came from Customs, 173.4 million from income taxes, 92.8 million from internal receipts, 12 million from the national lottery, and 6.7 million from "other" sources.

As for the increases in the first three months of this year compared to the same period last year, the numbers from the Budget Directorate indicate that in March of last

year revenues totaled 476.7 million, in February 487.4 million, and in January 449.6 million.

In January and February of this year, meanwhile, the government's domestic revenues stood at 752.3 and 665.1 million respectively.

The preliminary revenue figures for April of this year indicate that of the 437.6 million taken in, 362.9 million came from general funds while 74.6 million were from the so-called special funds.

Haiti

Foreign Affairs Minister Meets Dominican Envoy

FL0207230891 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 2 Jul 91

[Report on news conference with Minister Marie-Laurence Jocelyn Lassegue at the Foreign Affairs Ministry, Port-au-Prince, on 1 July—recorded]

[Excerpts] [passage omitted] Haitian Foreign Affairs Minister Marie-Denise Fabien Jean-Louis will meet with Dominican Chancellor Joaquim Ricardo today in St. Kitts on the matter of dialogue as requested by the Haitian Government to resolve the Haitian-Dominican crisis. This was announced by acting Foreign Affairs Minister Marie-Laurence Jocelyn Lassegue during her meeting with the press. She also advised that she has asked the Caribbean Community for emergency help for the Haitian deportees. [passage omitted]

Minister Lassegue reaffirmed the government's will to solve the crisis between Haiti and the Dominican Republic through dialogue, a request made by the Haitian Government over 20 days ago, but to which the Dominican Government has not responded. According to the minister, the government is firmly committed to protecting the rights of Haitians while waiting for an answer to the proposal Haiti has made to the Balaguer government for setting up a technical commission between the countries. [passage omitted]

The government says it is ready to receive all Haitians deported from the Dominican Republic while it denounces the way the Dominican authorities are deporting people who have to leave their families behind in the Dominican Republic. [passage omitted]

We recall that this conflict between Haiti and the Dominican Republic began after the Balaguer government issued a decree on 13 June to repatriate all Haitians under 16 and over 60 years of age. This decree is not being implemented as most of the people the Dominican Government has returned to Haiti are between 16 and 40. The latest contingent, of 200 Haitians, who arrived on 29 June brings the number of Haitians deported under this decree to about 500.

Mesyeux Views 'Storm Wind,' Dominican 'Plot'

FL0307005391 Port-au-Prince Radio Antilles International in French 1145 GMT 2 Jul 91

[Report on news conference with Jean-Auguste Mesyeux and other officials of Operation Storm Wind at the premises of the Autonomous Central of Haitian Workers, CATH, Port-au-Prince, on 1 July—live or recorded]

[Excerpts] [First unidentified announcer] The high command of Operation Storm Wind held a new conference yesterday morning. Jean-Auguste Mesyeux and his followers gave their opinion on the burning issue of Haitian deportations by the Dominican Government.

[Second unidentified announcer] The Autonomous Central of Haitian Workers has denounced a plot against the Haitian nation. According to Jean-Auguste Mesyeux, Haitians trained and commissioned by the Dominican Republic are allegedly now present on Haitian soil to attack Dominican nationals living in Haiti in order to create a state of crisis that could lead to foreign occupation or any other thing.

Jean-Auguste Mesyeux and his followers held a news conference Monday morning, condemning the behavior of the Balaguer government toward Haitian nationals living in the Dominican Republic. A plan was proposed to the Haitian authorities to resolve the crisis. [passage omitted] Jean-Auguste Mesyeux, the spearhead of Operation Storm Wind, defended himself against Haitian personalities living abroad who consider him a destabilizer. [passage omitted]

[Mesyeux] At no time have we intended to act against Aristide. We find him irreproachable. But many people in power are surrounded by flatterers who tell them, Excellency, everything is going well outside. But things are not going well. Nothing has been done by this government to get rid of all the macoutes who remain in power.

Concerning macoutes, a meeting that included many high-level government officials, was held at Henfrasa on 21 June. What was the purpose of the meeting? It was to find a solution to the problem, they say, created by Operation Storm Wind and all other striking groups, such as the United Militants Front and basic church communities. [passage omitted]

Justice Minister Installs State Secretary

FL0207234591 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 2 Jul 91

[Text] Justice Minister Karl Auguste, a lawyer, installed lawyer Gerard Davius as state secretary of justice on 1 July in the conference room of the Justice Ministry. The minister asked all managerial staff to help and support the state secretary because of the difficult task awaiting him.

In his speech, the new state secretary promised his complete commitment to the government within the boundaries of the Constitution and laws of the country, and justice for all. He promised to protect both state and private properties.

Lawyer Gerard Davius is a former Army major and legal adviser for general headquarters. He wrote the book, *An Army for A Democracy.*

El Salvador

Gen. Ponce Claims FMLN 'Losing Credibility'

PA0307040691 San Salvador EL MUNDO in Spanish 1 Jul 91 p 6

[Text] General Rene Emilio Ponce, minister of defense and public security, reiterated last night during a television appearance that "the FMLN [Farabundo Marti National Liberation Front] is increasingly losing credibility as far as its propaganda about seeking peace in El Salvador is concerned." He added: "If it insists on carrying out its threat of another offensive like that of 1989, it will receive another surprise, another defeat like that of a year and a half ago."

Gen. Ponce said that today more than ever, the Armed Forces, with all the Army's specialized branches, is militarily and materially prepared to cope with any military emergency. He added in response to constant FMLN threats to stage another nationwide offensive: "They will find us ready and prepared anywhere in the country."

The general also explained that the resumption of U.S. economic aid to the Armed Forces is not intended specifically for the purchase of war materiel, but also to meet other administrative and military medical hospital needs that require urgent attention.

Finally, Gen. Ponce said that Armed Forces units continue to be deployed throughout the nation in continuous search and security operations for the benefit of the population that the Army is duty bound to protect.

Army Charged With Evicting Peasant Families

PA0207213891 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 2 Jul 91

[Text] Last night soldiers of the Armed Forces violently evicted 50 peasant families who had taken over a vacant lot located in San Salvador's [name indistinct] neighborhood. The 50 peasant families belong to the Salvadoran Community Movement and said they wanted to establish a new community. In addition, their action is part of a campaign to take over lands, which is being promoted by various popular movements, in the face of the government's failure to establish a policy to solve the housing problem. Public groups, such as the Coordinating Committee of Low-Income Communities, Salvadoran Communal Movement, Cordecom [Corporation of Communities for Cooperation and Solidarity], Peasant Community Movement, and others, protested the eviction of the 50 peasant families who were brutally beaten by the National Police. In addition, the soldiers destroyed their tents. To reject this action, the Salvadoran Community Movement announced that its members will take over El Rosario Church today.

Peasants were arbitrarily evicted from four more farms over the weekend by soldiers in different areas of the country, Cordecom and the Democratic Peasant Alliance [ADC] announced today. ADC leader Marcos Salazar said that the peasants will resist the eviction policy. Here is Salazar.

[Begin Salazar recording] We do know not when the Armed Forces will arrive. We do not know what a peasant is going to have in his hands at that time. He may be carrying [words indistinct], a hoe, or who knows what. We do not know is how he is going to react. We would not want him to react that way, but if he sees that his land is going to be taken away, that he will be evicted, that his crops will be destroyed, then he has to find a way to defend himself. [end recording]

In San Salvador, rejection of the government's privatization policy is displayed in the workers' constant protests. Approximately 400 Social Fund for Housing employees conducted a two-hour work stoppage to demand a 500-colones salary increase and to oppose the privatization of their institution. In addition, the courageous union of the National Telecommunications Administration, Antel, staged an eight-hour work stoppage at the Civil Works offices, the Antel offices in San Miguelito and La Lechuza, and in the maintenance area of the [words indistinct]. The stoppages were conducted to protest plans to privatize that institution. To conclude today's report, the Salvadoran Teachers Front announced that it will stage a nationwide strike as a means of pressuring the government into meeting the teachers' demands, which were submitted in June. The teachers want a 400-colones salary increase, jobs for 11,000 unemployed teachers, pensions for 10,000 teachers, and a decent and efficient system of medical and hospital care. On 4 July the teachers will gather on the Civic Square to march toward the Legislative Assembly. This is the workers' answer to the Arena [Nationalist Republican Alliance] government's policy of starvation, eviction, and privatization. Onward, workers! Let us step up our fight against starvation and repression.

Guatemala

Communique Issued on U.S. Senate Support

PA0207152891 Guatemala City PRENSA LIBRE in Spanish 28 Jun 91 p 33

[Text] According to a communique issued by the Presidency Secretariat, the U.S. Senate's Foreign Relations Committee recently approved giving Guatemala strong and positive support for 1992-1993, especially for President Serrano's peace initiative.

The Foreign Aid Law establishes the Support Fund for the transition to a lasting peace, designating military aid for the next two years exclusively for the peace process.

These funds have been authorized to finance the creation of job opportunities for former fighters and for civilians affected by Guatemala's armed conflict and their resettlement.

The use of these funds agrees with the Peace Fund's (FONAPAZ) objectives as established by President Serrano. These funds show the importance that the U.S. Senate assigns to the Guatemalan peace negotiations.

Special Prosecutor To Investigate Devine Murder

PA3006031391 Mexico City NOTIMEX in Spanish 2232 GMT 29 Jun 91

[Report by Marisel Dieuges]

[Text] Guatemala City, 29 Jun (NOTIMEX)—President Jorge Serrano today announced that he will appoint a special prosecutor to investigate the murders of Michael Devine, Mirna Mack, and union leaders Dinora Perez and Oswaldo Luna.

In statements to NOTIMEX, Serrano admitted that the union leaders were killed for political motives during the first five months of his administration. In the two cases, Perez and Luna were gunned down in a similar fashion by unidentified persons who fled without a trace.

Perez was murdered on 29 April and Luna on 26 June, coinciding with the first and second rounds of peace talks with the Guatemalan National Revolutionary Unity (URNG). Serrano stated that he is also really interested in clarifying the cases he inherited from the past administration, such as the Devine case, which took place in northern Peten Department in August 1990. It is believed that Army personnel were involved in that murder.

The murder of Guatemalan anthropologist Mirna Mack, stabbed to death on 11 September of last year, while she was conducting research for Communities of a People in Resistance in the interior of the country. [sentence as received]

The Devine and Mack cases caused friction between the administration of former President Vinicio Cerezo and the U.S. Government, which made aid contingent on the solving of these cases.

Washington imposed conditions on military aid, of approximately $2.8 million, which were rejected early this year by the current administration. A human rights subcommittee of the U.S. Congress requested that conditions be placed on economic aid to Guatemala.

Serrano noted that "regardless of whether or not the United States want to give us economic aid, resolving these cases is a priority matter."

"I have adopted a dignified stance. I have not let conditions of any kind be imposed on my country. We extend our hand to whomever wants our friendship," he noted. "I will not bow my head in a humiliating manner; my dignity and that of my people are above any amount of money," Serrano remarked. The wave of violence rose in Guatemala after Serrano launched on 8 April his initiative for "total peace," with which he seeks to put an end to 30 years of civil strife.

In less that three months, cleric Moises Cisneros, General Anacleto Maza (retired), the father of Deputy Moises Juares—a supporter of Efrain Rios Montt [former presidential candidate]—and the bodyguard of another deputy have been murdered in this city. In addition, over 15 union leaders have chosen to go into exile abroad, and a large number of labor leaders have received death threats.

Serrano noted, however, that his government is ready to do away with the impunity of the perpetrators and provide the security he promised Guatemalans during the presidential campaign. Human Rights Ombudsman Ramiro de Leon Carpio told NOTIMEX "the government lacks the political will to clarify those murders."

'Official Sources' Claim Arzu To Be Removed

PA2906142291 Guatemala City EL GRAFICO in Spanish 28 Jun 91 p 6

[Text] Official sources, including some deputies to congress, disclosed yesterday that Foreign Minister Alvaro Arzu Irigoyen will be imminently removed from his post. Even though this had been announced on several occasions and denied by the government, the fact that high-ranking official sources have said it means that this time the change will take place.

It is believed that Arzu will be removed because he had disagreements with U.S. Ambassador Thomas Stroock and because, as a result of a weak international policy, Guatemala was accused in Santiago, Chile of violating human rights.

URNG War Bulletin Reports Clashes With Army

PA3006140091 Guatemala City PRENSA LIBRE in Spanish 27 Jun 91 p 4

[Text] A war bulletin issued by the Guatemalan National Revolutionary Unity, URNG, has reported that over the past week the insurgents inflicted at least 19 casualties on the Army, damaged three Air Force aircraft, conducted sabotage operations, and seized towns and roads.

The URNG war bulletin reported that on 18 June, URNG guerrillas ambushed four military trucks, inflicting several casualties on the Army on the road that connects the municipalities of La Libertad and El Naranjo, Peten Department, in the northern part of the country.

The report noted that on 19 June the rebels inflicted seven casualties on government troops in the village of Tierra Blanca, Sayaxche Municipality, Peten Department, after two "prolonged" clashes with government troops.

The report added that on 12 June in Peten Department the insurgents damaged two PC-7 Pilatus airplanes and one UH-1H helicopter, which were bombing the area, as part of the military offensive called "Lacandona."

The report continued that between 20 and 21 June in Ixcan Municipality, Quiche Department, northwestern Guatemala, the rebels clashed with the Army troops in Union Cuarto Pueblo, inflicting 12 casualties on the Army.

According to the URNG report, on 22 June the rebels held two-hour meetings with the population in the village of Villa Verde and the farm El Patrocinio, El Tumbador Municipality, San Marcos Department, in the western part of the country.

In addition, the report said that on 17 June URNG rebels launched a new attack on the oil pipeline and seized control of a road near the Cooperatives Champe and Rancho Campesino, Chisec Municipality, Alta Verapaz Department, in northern Guatemala.

The report concluded by stating that on 18 June the guerrillas seized a stretch of the road between El Naranjo and La Libertad, as well as the village of Tezahutlan in Sayaxche Municipality, where meetings were held with hundreds of people.

* Civil Guard Organization To Be Created

91CA0161C Guatemala City SIGLO VEINTIUNO in Spanish 24 May 91 p 3

[Excerpt] Minister of the Interior Fernando Hurtado Prem announced on 23 May the establishment of a Civil Guard, through the unification of the National Police and the Treasury Guard, to strengthen security for the citizens and to avoid the dispersion of effort.

The minister considered that to develop the security programs in a coherent way and to achieve greater effectiveness in functioning, the unification and centralization of the high command of the security forces are important. This would be achieved with the amalgamation of the two police forces mentioned above.

It is not necessary to have a separate police force to cover each area of crime, Minister Hurtado Prem explained. However, specialized sections would be set up in the Civil Guard to control economic crimes, murders, and crimes against private property.

He added that for the moment the appropriate studies are being made. At the right time the Guatemalan Congress will be asked to collaborate in enacting legislation required on security matters. [passage omitted]

* Rios Montt Takes Control of Front

91CA0161D Guatemala City SIGLO VEINTIUNO in Spanish 15 May 91 p 5

[Text] Retired General Jose Efrain Rios Montt, 64 years old and a founding member of the Guatemalan Republican Front (FRG), has assumed the leadership of the party as secretary general, replacing Professor Rolando Mendez Mora.

Information obtained from political sources indicates that the former chief of government relieved the official who was his minister of education during his short, de facto term of office (1982-1983). Professor Mendez reportedly asked the Executive Committee of the party for permission to take a leave of absence from his work as leader of the organization.

The FRG was established during the prelude to the elections campaign undertaken at the end of 1989 to fight for the inscription of Gen Rios Montt as a candidate for president for the period from 1991 to 1996. However, he was defeated in the most intense juridical and constitutional battle of the period.

The Guatemalan Republican Front joined with other political groups of the Right, including the Institutional Democratic Party and the National Unity Front (PID/FUN), in a political alliance which fought to the end to achieve its objective.

Despite the disqualification of its spiritual leader the FRG was able to place in Congress, following the 14 January elections, a group of 12 representatives. As the months went by, this group declined in size as a result of the defection of several deputies who were initially supporters of Gen Rios Montt.

The former chief of state, who has continued his political, organizational, and advisory activity among supporters in the countryside, as well as with the legislative group and mayors of towns associated with the Guatemalan Republican Front, will shortly undertake one of his strongest efforts.

In fact his close supporters indicated on 14 May that the next challenge which the controversial, retired military officer reportedly will impose on himself will be leading his own political party to win seats in the National Constituent Assembly which is to meet at the end of 1991 or at the beginning of 1992 to rewrite the Constitution.

They said that his major interest is to eliminate Article and Subparagraph 186 of the Constitution which prevented him in the previous general elections from seeking to lead this Central American country for a second time, except that this time it would be by votes and not by military means.

Another source consulted by SIGLO VEINTIUNO stated: "I understand that Professor Rolando Mendez Mora is going to retire for an extended period of time from the post of party secretary general and perhaps will be out of the country for one year. It is possible that General Rios will take over the party leadership, when he makes the necessary decision."

* CERJ Opposes Forced Induction Into Army

91CA0161E Guatemala City EL GRAFICO in Spanish 1 Jun 91 p 4

[Article by Rony Ivan Veliz]

[Text] Santa Cruz del Quiche, 1 June—Farmers and indigenous people from the various human rights

defense groups held three demonstrations in different places in Guatemala against forced recruitment by military commissioners in the countryside. They said that this discriminatory activity is contrary to the dignity of the indigenous people.

The majority of the participants in the demonstrations were women, who marched with their small children on their backs under the broiling sun of this department. They demanded of President Jorge Serrano Elias that the rights of the indigenous people be respected. The indigenous people suffer the most from these actions which are harmful to human dignity. This was indicated by Amilcar Mendez of the 'Runjuel Junam' Councils of Ethnic Communities (CERJ).

The demonstrations were organized by the Christian Youth Movement for Life and Peace, the CERJ, the National Coordinating Committee of Widows of Guatemala (Conavigua), the Farmers Unity Committee (CUC), and the Mutual Support Group (GAM) in the Departments of Quiche and Quetzaltenango, as well as in Guatemala City.

The widows expressed their dissatisfaction with the military commissioners who have been engaged in recruiting young men from the various municipalities of this department, taking them by force from rural buses.

Hundreds of farmers and indigenous people marched on 31 May through the principal streets and avenues of Santa Cruz del Quiche, where several organizations favoring the defense of human rights protested because of the forced recruitment of young men who are not of legal age. Meanwhile, in the capital of the department Army soldiers were involved in some incidents against activists of the GAM.

* IIES Reports Rise in Market Basket Costs

91CA0161F Guatemala City EL GRAFICO in Spanish 8 Jun 91 p 10

[Excerpts] Guatemala City 8 June—[Passage omitted] An analysis by the Institute of Economic and Social Research (IIES) of the University of San Carlos of Guatemala, entitled: "Structural Adjustment and Unemployment," discusses the characteristics of structural adjustment programs, their consequences, and the behavior of production, as well as the crude reality which unemployment has turned out to be in some countries, including our own. It paints the drama which a majority of our people are going through. [passage omitted]

The report presents the problem in the following way: "The basic market basket for consumption costs about 1,125 quetzals per month in terms of 1990 prices or 37.50 quetzals per day. Meanwhile, the average, minimum salary reported amounts to 456 quetzals per month or 14.50 quetzals per day."

It continues: "There is a daily deficit of 23 quetzals if you compare the daily cost of the basic market basket for consumption with the minimum average daily salary. This implies a total distortion of the minimum wage, which should equal the cost of living." [passage omitted]

* Further Report of Widespread Poverty

91CA0161G Guatemala City DIARIO DE CENTRO AMERICA in Spanish 22 May 91 pp 8-11

[Article by Saul David Oliva]

[Excerpts] Otto Menendez, Miguel Garces de Morcilla, Arnulfo Noguera, Silvia Castaneda Cerezo, and Rodolfo Kepfer, who hold doctoral degrees, and Tristan Melendreras Soto, who holds a master's degree, participated in a panel program sponsored by the University of San Carlos on the following important and very significant subject in our national life: "Health for All by the Year 2000." The program was held at "Flavio Herrera" University Cultural House.

The picture of the state of health of the Guatemalan people and the prospects which face them as they look toward the next century are more than depressing. To the very bad state of hospital infrastructure, the high cost of medicine, and an inadequate social security system should be added general conditions of poverty which already affect 84 percent of the people.

Recent information on the food situation in our country shows that the overall prevalence of low weight in children from three to 36 months of age is 33.6 percent (which does not indicate changes in the overall prevalence of this condition over the past few years). Nevertheless, in absolute numbers, due to population growth, the number of malnourished people increased. It is estimated that in 1991 there are about 600,000 children from three to 36 months of age who are suffering from some nutritional damage. The northern and southwestern areas are the most affected, with the incidence of prevailing damage varying between 29.4 and 46 percent.

This painful reality is considered to reflect the impact of unfavorable social and economic conditions on health, food, and nutrition of the people in general. [passage omitted]

Tristan Melendreras stated that as of the end of 1990 (and the tendency is continuing into 1991) generalized poverty already affected 84 percent of the population, while 60 percent live in extreme poverty. That is, the persons involved already do not have even the minimum amount of food for subsistence. He said: "To resolve this problem, which has an impact on health, there must be industrial development. An effective agrarian reform program must be undertaken so that the worker in the countryside, that is, the producer, will have access to land."

In general the members of the panel condemned as the principal cause of poverty worsened economic and social conditions prevalent in Guatemala and the existence in our country of a conservative and unreconstructed kind of capitalism.

Dr Arnulfo Noguera stated that about eight percent of the population of the world now lives in Latin America and the Caribbean, "of whom 47 percent live below the poverty line, generating only five percent of World Gross Domestic Product, with a growing share of the population, a decreasing share in the economy and the market, and a probably growing share of poverty."

The social, economic, and political conditions in which Latin America has been living since the decade of the 1970's are linked to profound changes which have been occurring in the world capitalist economy since the end of the 1960's and which have had negative effects on those countries.

In seeking to adapt to the reorganization of the world productive process the nations of Latin America incurred large-scale indebtedness under unfavorable conditions. Making the necessary payments on this debt became impossible, stimulating in turn capital flight by national elite groups and a negative flow of external capital. Together with the insane handling of public finance and the nonreturn of foreign exchange from national exports and particularly agricultural exports, a vicious circle was created.

The foregoing is the cause of the continuation of high rates of unemployment and underemployment and infant mortality and malnutrition, increasing the marginal existence of large numbers of people. [passage omitted]

The rate of infant mortality estimated for 1988 at the national level in Guatemala was 64 out of 1,000 live births, consisting of 40 post neonatal deaths per 1,000 live births and 24 neonatal deaths per 1,000 live births. The principal causes of infant mortality are: diarrhea, serious respiratory infections, malnutrition, diseases at the time of birth, hydroelectrolytic disorders, and acidic body fluids.

Doctor Noguera, who is affiliated with the Nutrition Institute of Central America and Panama (INCAP), stated that the cost of food, measured by the cost of the basic market basket of foods, increased by a proportion much greater than that of the minimum wage.

This salary remained the same for seven consecutive years, during the period between 1981 and 1987. In 1988 it was necessary to spend 76 percent more than the minimum wage to cover the cost of a basic market basket of food.

The Secretary General of the National Council of Economic Planning of Guatemala estimated that during the years 1986-1987 about 83.4 percent of Guatemalan families were in a state of poverty, that is, families with an income below the value of the basic market basket of goods and services. Of these people about 64.5 percent were in a state of extreme poverty. That is, their income was equal to or less than the cost of the basic market basket of food. In reviewing the situation by area, the northwestern region, which includes the Departments of Huehuetenango and Quiche, had the highest proportion of people in a state of extreme poverty (80 percent), followed by the northern region (75.6 percent).

What is described above constitutes a scenario which shows no sign of changing over the short term, if the effects of inertia and present conditions persist. Nevertheless, this presents a political, social, economic, and technical challenge which forces us to have the vision, conviction, and commitment to seek options for a solution to the problem of food and nutrition, developing strategies and action tending to change the causes which determine it. We must implement concrete programs which will have an impact on the damage being done. We must prepare preventive programs, especially for those groups of the population at the greatest risk, maintaining in what we say and do a decision to reach those objectives in terms of food and nutrition defined as the first priority in programs of economic and social development. [passage omitted]

In general terms the problems of health and disease which the Guatemalan people are suffering from are intimately linked to the enormous social, economic, and political problems of the nation. All of us must work for a solution, but within an atmosphere of peace, justice, respect for human rights, and effective democracy. [passage omitted]

* Koreans To Invest $50 million in Free Zones

91CA161B Guatemala City PRENSA LIBRE in Spanish 1 May 91 p 6

[Text] Korean businessmen will invest more than $50 million in new assembly industries [maquiladores] in El Tejar, Department of Chimaltenango, which will make it possible to create 10,000 new jobs. This was stated on 30 April by Gustavo Espina Salguero, vice president of Guatemala.

At the same time he said that the government has given instructions against trifling with the dignity of Guatemalan workers, for all foreigners who do not have proper documentation will be subject to the immigration laws. Nevertheless, the significant investment and help provided to Guatemalan industry by Korean businessmen cannot be called into question because of two or three cases.

Vice President Espina added: "For example, the Koreans will set up 33 new assembly plants in El Tejar where, for the first time, various electronic equipment will be assembled. This project, which is almost ready to go, is of significant importance because it will lead to industrial decentralization, it will employ workers in the interior of the country, and it will benefit a number of communities."

Vice President Espina stated: "It is necessary to clarify the situation concerning the assembly plants because you cannot use a general rule to cover all of them equally. We must recognize that several countries want this type of investment. However, the Koreans have chosen to invest in Guatemala, and I believe that they should have the support of the Guatemalan community."

He emphasized: "We have to recognize the innovative creativity, the initiative, and the talent of the Koreans. In 1960 they barely exported $50 million annually. However, at present the total amount of their sales overseas brings them an income of $70 billion."

On 30 April Vice President Espina received Dr Ki-Song Cho, the ambassador of the Republic of Korea to Guatemala, in his office. The ambassador informed the vice president of his government's intention to establish new assembly plants in Guatemala and to double the foreign exchange income of this country.

He emphasized that these companies are giving employment to more than 50,000 Guatemalans. However, the next goals to be achieved will certainly double the number of jobs at attractive salaries which exceed the minimum income which a Guatemalan civil servant receives.

He emphasized that the assembly plants have good relations with their workers. In a number of cases they even provide breakfast to the employees. He said that at present in Guatemala City labor is in very short supply. For this reason they have plans to invest in the interior of Guatemala.

* Spanish Aid Programs Described

91CA0161A Guatemala City SIGLO VEINTIUNO in Spanish 1 Jun 91 p 5

[Text] Modernizing the Guatemalan Ministry of Foreign Relations with programs for training personnel, a plan for rural electrification, following up on reforestation programs in the basin of the Montagua River, and the El Trifinio irrigation project are some of the projects covered in the new agreement on cooperation between Spain and Guatemala.

It is worth emphasizing the programs for the preservation of the Iberoamerican Cultural heritage, in the framework of the 500th anniversary of the discovery of America. In Guatemala these programs are taking concrete form in activity to restore the city of La Antigua, the Temple of the Great Jaguar in Tikal, and the Cathedral Church of Tecpan, Guatemala.

Also within the framework of the 500th anniversary celebration and in accordance with the Declaration of Guatemala (of 1989) on the presence and significance of the indigenous peoples, Spain will finance a project at the Universidad Rafael Landivar for the publication of dictionaries of the four principal Mayan languages.

In a separate project the Spanish Cooperation Program will participate in a plan aimed at planting forests to provide firewood for domestic consumption to fight effectively against the principal cause of uncontrolled deforestation, as agreed in the Mixed Commission on Technical Cooperation.

Spain has already begun its efforts in the program of Integrated Rural Development in the Department of Izabal, complementing the construction of the Multidisciplinary Training and Qualification Center and with demonstration plots of land in the Chocchoc region of the Modesto Mendez area.

The Spanish Cooperation Program has shown particular interest in the area of public health, including programs of environmental health, in cooperation with the Regional School of Sanitary Engineering of the Universidad de San Carlos, and strong support for the National Health Institute.

All of these programs are included in the final report on the Second Meeting of the Mixed Spanish-Guatemalan Technical Cooperation Commission which was signed in Guatemala City by Javier Jimenez-Ugarte, director of the Iberoamerican Institute of Cooperation, and by Miriam Siekavizza, secretary general of the Economic Planning General Secretariat (Segeplan).

As has been reported, the Spanish Cooperation Program will spend, over the next four years, about $17 million, or 83.3 million quetzales, in nonrepayable grant aid.

Nicaragua

* Need for Change in UNO Alliance Viewed

91AF0158A Managua LA PRENSA in Spanish 24 May 91 p 4

[Commentary by Alfonso Mondada Guillen]

[Text] The main result of the 14-party opposition alliance was its magnificent campaign and electoral triumph. Both the main result and the secondary ones are what make up the Government's character and personal stamp, which Nicaraguans saw beginning to emerge out of the array of candidates and which is now being embodied a year later. The new government is precisely the product of the type of alliance that brought it to power.

Groups that in great measure contributed to the electoral triumph and were tacit components of the alliance, like private business, gathered around the 14 political parties and did everything well, except acquire the share of power corresponding to them.

Each political party or caricature of a party had a very specific idea of the role it would play, and each leader or pretender his own. In designing the structure and implementing its objectives, which was the principal task of the political parties, the time came to officially nominate the candidates. The rusty insistence on a supra-institutional structure was merely a pretense of the nomination's winners and those rejected from the triumph. That instrument (the Political Council) was created for electoral purposes and its function had to end at that point, despite the insistence to the contrary.

The structural and operational problems the UNO [National Opposition Union] parties are displaying to the government are the product of the type of alliance

that won the elections and brought the leaders to power. If there were 14 centers of authority designing the winning formula, the responsibility for success and failure must also be divided into 14 parts. Now, it so happens that some political parties are good but the product of the alliance is bad. It is difficult to agree with that reasoning. The fathers of the child must assume full responsibility. So for some, things did not turn out as planned? Fine, that also is an alliance problem because for others they turned out better than expected.

Party supporters and some allied sectors persist in demanding as an integral solution a return to the original position, which they call a "return to the bases that brought them to power." A euphemism, an electrical wire going to the top of the pyramid (the UNO Political Council), thus closing the circle with resentment, opportunism and new demands for power sharing.

If the composition and qualification of the officials is purely the product of a specific type of opposition alliance, and one is not in agreement with this composition and these qualifications, then to insist on giving life to that very type of alliance as a mechanism for a solution makes no sense, nor will it resolve any problems. One can already see that the bases have not responded. The political ability to design the correct strategy to reclaim the reality of the moment is lacking.

Political, social and partisan forces , which at one point were united to make the electoral triumph possible, are nowhere to be seen. To rescue the united support of those bases, it is necessary to restructure the alliance and the forces that should comprise it, redefine its character, which no longer has to be opposition in nature, and sketch out objectives that are now definitely not the same. A patriotic alliance.

* Lack of Democracy in Draft Statutes Criticized

91CA0166B Managua EL NUEVO DIARIO in Spanish 5 Jun 91 p 4

[Commentary by Manuel Eugarrios]

[Text] Although fellow member Gioconda Belli has already examined the topic of internal democracy based on the draft documents of the Sandinist National Liberation Front (FSLN) to be discussed at the July congress, allegedly revised and corrected by the rank and file, we also wish to express our specific views on the issue.

We would ordinarily agree on that business about dirty linen being washed at home, but we do have some doubts about the matter, particularly as expressed in Article 10, paragraph f), of the proposed Statutes:

"Criticizing any Sandinist, whatever post he may occupy, privately or at meetings of party organizations. Criticism must always be timely, fraternal, and constructive."

Methodical doubt assails us when there is no sufficient clarification of this business of criticizing "privately," which we suppose can be done within the family, with other comrades, or just friends from the neighborhood or at work.

However, we shall never be able to agree with paragraph c of the same article of the chapter on rights and duties, which stipulates that: "expressing their opinions outside the organization, provided they do not contradict the resolutions of congresses or leadership organs within the framework of their competencies."

Without beating around the bush, this constitutes a stiff blow to members' freedom of expression, for they will not be able to criticize outside the organization, much less oppose, publicly or privately, the resolutions of the congresses or leadership organs even if they are in open disagreement with them.

This is frankly like the rigidity of a military structure and in no way befits a party that prides itself on being democratic and revolutionary, aside from the fact that it violates one of the most fundamental rights of citizens: dissidence through the free expression of thought, whether with respect to the government in power or their own party, which right is sanctioned by the Sandinist political constitution.

Naturally, such a provision is absolutely at odds with the healthy proposal of achieving internal democratization of the party and, on the contrary, crushes one of its most essential aspects.

Nor can we support what is provided in Article 11, paragraph c), of the draft statute on specific additional rights of members:

"Being a candidate in any of the internal and external election processes, without any right of veto or objection whatsoever that might presume discrimination or advantage, except in the case of requirements set forth in the Statutes and Regulations concerning the seniority of members or because of incompatibilities."

This special status with respect to length of membership is set forth in Article 30, which establishes one year as the period necessary in order to be elected to Congress, three for the Sandinist Assembly and Ethics Commission, and five for the National Leadership.

In other words, if there is a member of singular intelligence and political and ideological background who has been in the party for 11 months and 29 days, he will not have the right to be elected to congress, even if he can provide important contributions, definitely greater and more far-reaching than comrades with more seniority. This is also true of the other internal elective offices.

Concerning Article 30, the only thing on which we agree is the 5-year requirement for the National Leadership. The rest seems quite undemocratic due to the excessive terms of previous membership required.

However, what is more serious is that paragraph c) of Article 11 also includes in that exceptional status concerning length of membership or due to "incompatibilities" those external election processes logically referring to the posts of president, deputies in the National Assembly, and municipal councilmen.

Inasmuch as the rest of the proposed statutes make no further mention of this temporary exceptional status, we must presume that anything relating to these external elective posts will be taken up in the "Regulations" mentioned in the aforementioned paragraph c) of Article 11.

However, if this were so, several questions must be posed: What will be the required length of membership for these external elective posts of president, deputy, and councilman? What organization will be responsible for choosing them? What parameters will define incompatibilities?

Due to the delicate nature of the issue, we believe that these last questions absolutely must be discussed at the July congress and incorporated into the statutes rather than being left for subsequent regulations, inasmuch as this is a substantive rather than a regulatory problem.

In our opinion, all the foregoing is quite alien to the theory and exercise of internal democratization. This is also true of the superpowers awarded to the Sandinist Assembly, whose 120 members, as established in Article 20, will be members of the congress "in their own right," which eliminates the right to participate in the sessions of the highest party organization of over a sixth of the members, since the congress will be made up of 600 delegates.

Perhaps the key to all these scarcely democratic provisions is to be found in an eagerness to persist in the harmful, old verticalism, when Article 3 emphasizes the practice of a democratic centralism by directed majorities that did us so much harm in the exercise of power.

* Divergent Viewpoints in FSLN Recognized

91CA0166A Managua BARRICADA in Spanish 29 May 91 p 3

[Commentary by Gerardo Gonzalez Riega]

[Text] In the final analysis, nothing in the Sandinist National Liberation Front (FSLN) will ever be the same after the First Congress, but not everything will be different either. This conclave, already defined and accepted by all Sandinists as an event of far-reaching importance and as a decisionmaking organ at the highest level, must—with the nearly heretical pragmatism that has characterized the political life of our organization—continue to break down all barriers and reject dogma while on the path toward building a free and just society.

We all want a strong, united, coherent, and modern Sandinist Front and each and every one of us has the right to be frustrated or to dream. After all, even our dreams and frustrations are not always or in sum the fruit of the will of the individual, but rather, a reflection in one's own conscience and behavior of the material reality in which we evolve. Consequently, dreams and frustrations cannot be a basis for discussion or guide for action; rather, we must look to reality correctly interpreted.

We are now emerging from a long period of roses and thorns which began 30 years ago with the founding of the FSLN by a small nucleus of revolutionaries. It is a period that will culminate in a congress at which 500 voices must echo the thoughts of over 150,000 members and several hundred thousand sympathizers. Not an easy task.

At this multitudinous gathering of thoughts and wills, the range of ideas will be so extensive that any attempt at ideological predominance has only two outcomes: isolating or being isolated. In the spirit of the Draft Principles and Program and the Preliminary Statutes, this can absolutely not happen. This is healthy, as made obvious in their content.

In these 30 years, we have indeed savored both sweet and bitter fruits, some more sweet than bitter and some more bitter than sweet, brought together by common denominators such as the people's resistance to Somocism, the construction of a revolutionary state, and national defense against imperialist aggression.

At the present time, as seen from a flat plain and without any visible, tangible common denominators serving to hold together this range of ideas, a definition of principles, program and set of broad statutes—in which we reach out to the sectors with which we have walked for 30 years—are valid. And yet, they do display a dangerous gap to which we wish to call attention.

The scope of the general principles, Program and Statutes, does not necessarily yield a resulting strength, coherence, and unity, because while we do all fit in, each one of us can also do whatever he wishes, which is detrimental to strength. The ideological struggle, which we would be mistaken to ignore, will emerge within Sandinism after the congress and if we do not make the most of its tactical derivatives after the congress (which is where we see the risky gap), they will be detrimental to unity and coherence.

We believe that we would do well to maintain in our organization the organic profile of a front rather than of a party. This has been implicit since the presentation of the Draft Principles and Program, which state that the program is more political than ideological. A party-front with an extremely broad base set up on very general common denominators must give rise to multiple minimum common denominators in order to guarantee that we make the most of the ideological struggle and tactical tasks, achieving coherence and strength as a result.

Specifically, we propose to generate organic strength for the different lines of thought within Sandinism. This is no textbook formula or a finished idea, but rather, material for discussion.

It is not a proposal of two or three parties within the party. Rather, in addition to the pyramidal structure and representation of rank-and-file structures at the higher echelons of leadership, running vertically and organically in both directions, we emphasize, is the possibility of discussion, planning, and the execution of lines and group tasks related to different lines of thought, as long as they do not violate broad general principles and are inserted into the commonly accepted programmatic policy.

Thus it is that without empty speeches or manipulatory practices, each and every individual will be able to speak clearly and call for action, maintaining avenues of coordination and discussion with others so that the so-called "lack of consensus" will neither limit nor exclude. We are placing this item on the agenda for your discussion.

Panama

Government Said 'Cause of Concern' in Washington

PA0207222491 Panama City EL PANAMA AMERICA in Spanish 1 Jul 91 p 4A

[From the "Hidden Truths" column by Tomas A. Cabal: "The Potomac Strategists are Maneuvering in Washington"]

[Text] The weakness and lack of coherence of President Guillermo Endara's government is a cause of concern for the analysts and strategists who draw up U.S. policy for Central America.

According to reliable sources, the Christian Democratic Party's ousting from the government alliance took Ambassador Deane Hinton and Michael Kozak, principal deputy assistant secretary for inter-American affairs, by surprise. The Pentagon analysts were also taken by surprise by this incident and as a result, General Colin Powell's visit with the Panamanian president was almost called off.

U.S. experts who advise the Senate and Congress have pointed out the need to call for a Constituent Assembly to straighten the course of the current government's democracy before it sinks amidst a cry of social protests.

The bogging down of the privatization program, an economic program that does not seem to go anywhere, and a paralyzed Legislative Assembly are joined with nepotism and current administrative corruption in a fragile mosaic that threatens to disintegrate into a violent social crisis.

A U.S. congressional subcommittee will be holding hearings shortly to discuss the Panama situation. According to the experts who will testify at the hearings, some of the issues to be discussed include: the National Police and public security; the Institutional Protection Service and national security; drug trafficking and the judicial system as well as the Panamanian banking center being faced with money laundering charges.

U.S. Embassy sources in Panama have informed us that Ambassador Hinton is quite frustrated with Guillermo Endara's government, having recognized that Endara is not capable of making decisions.

Recently U.S. investors complained of irresponsible and unfair treatment by Panamanian Government officials.

The investors expressed their discontent with the influence peddling that dominates the Endara administration. These complaints were heard by senators and congressmen in Washington who attempted to pressure Ambassador Hinton's departure and to replace him with current U.S. Ambassador to Honduras Cresencio Arcos. Arcos is considered a hard-line diplomat who was the key player in the supply-line to the Nicaraguan contras.

Congressmen and senators in Washington expressed their discontent with what they perceive has been Ambassador Hinton's policy in Panama. A congressman summed up Hinton's role as a "smoke screen." "Hinton has been covering up and trying to justify the Endara government's errors of the past 18 months and, to tell the truth, we do not want to hear his excuses. It is time for Hinton to get out." Sources questioned in Panama said that Hinton plans on retiring in Costa Rica.

Michael Kozak, who had been considered as a possible replacement, given his experience, has decided to accept the position at the U.S. Embassy in El Salvador. Kozak is convinced that Panama would be his political grave, given the magnitude of the problems the Panamanian Government is facing.

Bernard Aronson, assistant secretary for inter-American affairs, will retire in November. This opens up interesting possibilities for a Republican replacement with a conservative stance.

The Pentagon is also concerned with the situation in Panama where difficulties are already foreseen with the accelerated program to close the U.S. military bases, given the Panamanian Government's apparent incapability to administer these reverted areas.

Besides, military analysts question the Panamanian legal system's capacity and integrity to repress drug trafficking. Southern Command Chief General George Joulwan has publicly stated that drug trafficking is a serious threat to the region's democratic institutions.

The general consensus, expressed by several sources questioned on the Panama situation, is that a Constituent Assembly should be called to reinforce President Endara's popular support, while he reorganizes his cabinet with qualified and honest government officials.

As a government official with close ties to Washington said: "The truth is that Bush has forgotten Panama. If he paid a little more attention to Panama, as he will during the election campaign, the situation could get complicated if he arrives at the conclusion that Endara's government, just like Husayn in Iraq, is the problem."

Decree Maintains Sanctions Against Iraq

PA0307003991 Panama City EL PANAMA AMERICA in Spanish 2 Jul 91 p 8C

[Report by Orlando Mendieta C.]

[Text] Through an executive decree the government has ordered that the sanctions against Iraq, including a ban on allowing Iraqi aircraft and ships to leave Panama, be upheld and enforced.

The government's decision is based on UN Security Council Resolution No. 661, dated 14 August 1990, which imposes sanctions against Iraq, and adds Decree 353, dated 14 August 1990.

The executive decree bans any aircraft transporting cargo from or to Iraq, except for food and humanitarian assistance, from taking off or landing in Panama.

In addition, this decree bans all aircraft registered in Panama from flying over Iraqi territory.

The aforementioned decree requests civil aeronautic authorities adopt whatever measures necessary to prevent aircraft registered in Panama, or used by any agent based in Panama, from failing to comply with Decree No. 353 and the current executive decree.

National port authorities have also been requested to detain every Iraqi ship entering Panamanian ports that has violated or may be violating Decree No. 353.

Iraqi ships have been denied access to Panamanian ports, except under circumstances deemed necessary by international law to safeguard human lives.

The sanctions against Iraq were enacted after Panama expressed support for Resolution No. 661, dated 14 August 1990, which was approved by the United Nations following the Iraqi invasion of Kuwait.

Linares on Cuba, Integration Into OAS

PA0307010991 Panama City LA PRENSA in Spanish 2 Jul 91 p 1A

[By Zoila Rodriguez Jovane]

[Text] Foreign Minister Julio Linares has said that Panama will continue to apply the principles of the Betancourt Doctrine in foreign policy. He added that Panama will pressure the OAS to take action that will guarantee the existence of representative democracies in Latin America.

The Betancourt Doctrine was named after the late Venezuelan president Romulo Betancourt, a well-known Latin American politician who assumed the presidency of his country after the collapse of the military regime led by Marcos Perez Jimenez. The Betancourt Doctrine establishes the principle of nonrecognition of de facto governments.

Linares explained that the dictatorial regimes are able to exist thanks to the support received from the international community, which is made up of democratic countries and popularly elected governments. He stated further that these governments "adopt very convenient positions."

Foreign Minister Linares said that according to history, after a coup d'etat against a legitimate government has taken place, the OAS issues a "symbolic" statement praising the virtues of democracy. A few months later, he continued, the OAS member countries decide to forget about this issue and establish relations with the new government.

Linares mentioned the cases of Perez Jimenez; the Somoza dynasty in Nicaragua; General Rafael Leonidas Trujillo in the Dominican Republic; Torrijos, Paredes, and Noriega in Panama; and even today Fidel Castro in Cuba.

"We are not going to recognize any government resulting from a coup d'etat against a legitimate government," the foreign minister warned.

Linares said one year ago at the 20th OAS meeting in Asuncion, Paraguay, that Panama acted as "a single voice" in stressing the need to adopt collective measures to prevent the overthrow of democratic governments and to prevent member countries from being protected by "the false concept of the principle of nonintervention."

Linares stressed: "The struggle of the OAS against tyrannical regimes has been rhetoric and that is why Latin America has been a continent plagued by dictatorships."

The foreign minister added that those who took advantage of the false premise of nonintervention elected to justify the military repression against Panamanians and then later criticized the U.S. intervention.

Linares noted, however, that the presidents of the Andean countries, who met recently in Caracas, made statements in favor of tasking the OAS with guaranteeing the existence of incipient democracies in the hemisphere. Thus, he said, the OAS will no longer be "a mere spectator in the collective decisionmaking process."

It was decided that should a coup d'etat take place, the OAS Permanent Council will automatically meet to decide whether to call a general assembly special meeting or to summon the foreign ministers within 10 days of the coup. Linares termed this action as "a first step."

The foreign minister said that Panama believes the OAS foreign ministers should meet after a coup has taken place to empower the secretary general to take steps aimed at reestablishing democracy in that country.

"Peace is not the absence of belligerence, which many times represents a victory over the resistance," Linares expressed.

The Panamanian foreign minister explained that the contradiction which apparently exists between the aforementioned statement and the existence of diplomatic relations with Cuba results from the fact that "one cannot always take retroactive measures."

Linares said that when he assumed the duties of foreign minister, Panama already had relations with the Caribbean island, but the current government "has not hidden its desire for democracy in Cuba."

The foreign minister stressed: "We are talking about a 32-year dictatorship that went from enjoying a great deal of popularity to being one of the most repressive on the American continent."

Linares said that during the upcoming Ibero-American Summit, which will take place in Guadalajara, Mexico, on 12 July, Panama "will oppose" every effort to reincorporate Cuba into the OAS.

He added: "We cannot endorse a doctrine that rejects dictatorships and at the same time supports the acceptance of a country which has maintained a harsh dictatorship for decades, a country without the desire to change things, despite the opening in Europe."

The foreign minister claimed that despite the partial economic blockade, which has slowed the Cuban economy down, every country that is trying to achieve superior objectives, such as liberation, should endure certain things, such as diplomatic or economic sanctions, or take up arms.

Linares added that Panama was affected economically when it tried to topple the Noriega military regime, which ended 18 months ago with the invasion.

Argentina

Menem Receives Malaysian Prime Minister Mahathir

PY0207213391 Buenos Aires TELAM in Spanish 1514 GMT 1 Jul 91

[Text] Buenos Aires, 1 Jul (TELAM)—President Carlos Menem and Malaysian Prime Minister Mahathir Mohamed met this morning at the Government House where they addressed Argentine-Malaysian relations.

Prior to their meeting, Menem and his visitor exchanged decorations during a protocol ceremony in the White Hall of the Government House.

Immediately after this ceremony, the two chiefs of state addressed several bilateral issues in the presidential office. This was done in the presence of Economy Minister Domingo Cavallo, who represented the foreign minister. The foreign minsister is currently abroad.

During a visit to Kuala Lumpur, the Malaysian capital, early in June 1990, Menem held various meetings with Malaysian officials and businessmen, thus opening definite opportunities for promoting bilateral exchange.

After the meeting, Cavallo accompanied Mahathir Mohamed to the esplanade on Rivadavia Street where the visitor was escorted by the General San Martin Cavalry Regiment of grenadiers, who also escorted him when he arrived at the Government House.

Neither Cavallo nor the visiting chief of state spoke to the journalists who were waiting in the Hall of Statues [Salon de los Bustos] of the Government House.

Bolivia

Press Protest Restrictions on Antidrug Operation

PY0307032691 La Paz La Red Panamericana in Spanish 0000 GMT 3 Jun 91

[Text] The Federation of Bolivian Press Workers has issued a strong protest over the restrictions on freedom of the press and the national media during the antidrug operation in Santa Ana de Yacuma. The nine-point document states the following:
1. Only international correspondents were invited to cover the operation and the Bolivian media, which has professional rights and merits, was excluded.
2. We want to know if those responsible for the operation doubt the abilities of the Bolivian media or if they think national reporters are linked to drug trafficking.
3. [words indistinct] the operation ended in definite failure because the drug trafficking fat cats disappeared before the operation began.
4. Who warned the drug traffickers? Not the national media. The information was known to all the high-ranking commanders, but it has been said that the presence of national reporters in Santa Ana de Yacuma was what tipped them off.
5. Not even the Interior Ministry or [words indistinct] reporter to cover the story.
6. But Santa Ana media representatives were there to cover the story.
7. These factors show that those in charge of the operation were deliberately trying to direct the information [words indistinct]. Citizens have the right to be informed about everything that is going on in Bolivia. In this case, the information was reported only by persons specifically selected by the authorities.
8. We demand a public explanation of the reasons for this discrimination. The government must carry out a full investigation to ascertain how the drug traffickers knew about the operation.
9. We urge our comrades to do their utmost to fulfill their duty to inform the people despite government restrictions [words indistinct], because they do not take into account the professional value and maturity of the Bolivian media, working to serve the people.

More on Coca Growers Peacefully Ending March

PY0207211691 Madrid EFE in Spanish 0048 GMT 1 Jul 91

[Text] La Paz, 30 Jun (EFE)—Official sources have told EFE that some 500 peasants, who were protesting the government's decision to allow entry of the Army into the coca producing sector, decided to suspend their march to La Paz on 1 July in view of the presence of Army and police troops. The peasants decided to return to Chapare, where they began the march, in view of the fact that some 400 Army and police troops disbanded their 600-km march to La Paz in the township of Parajti (85 km from Cochabamba).

The Prefecture (governorship) of Cochabamba Department explained that the combined forces blocked the road to prevent the coca growers from entering Parajti in order to avoid a possible confrontation. Groups of university students and opposition political parties were planning to join the coca growers march in Cochabamba, 403 km east of La Paz.

The peasants decided to peacefully leave Parajti at 1700 local time and to create a commission made up of five leaders from the Chapare Federation, who have left for Cochabamba to meet with government officials.

The march "for the dignity and the sovereignty" began on 26 June in the township of Villa Tunari. The peasants are demanding that the government forbid entry of the Army into coca-producing areas, because they believe this will generate armed violence in the region.

The Cochabamba Prefecture has announced that the La Paz government has sent a document in which it commits itself to hold talks with the coca growers, to review the decree allowing entry of the Army into the coca-producing area, and to improve alternative development in the region. Representatives of the Catholic Church will attend the meeting scheduled for tomorrow between

the government and union leaders, who will be accompanied by United Left Deputy Gregorio Lanza.

Eighty percent of coca, the raw material of cocaine, is produced in Chapare, Bolivia, which is the world's second-largest coca producer after Peru.

Peruvian Commander Confirms Terrorist Presence

PY0307001791 La Paz PRESENCIA in Spanish 26 Jun 91 p 1

[Text] The Shining Path has entered Bolivian territory.

"To deny this fact would be a lie and would mean trying to ignore their methods," said General Pedro Villanueva Valdivia, the Peruvian Army commander in chief. He said yesterday that the Bolivian and Peruvian Governments will "strengthen and promote the exchange of information between the intelligence and information organizations."

Gen. Villanueva and President Jaime Paz analyzed terrorism during a meeting at Government House. Gen. Villanueva was accompanied by his Bolivian counterpart Gen. Guido Sandoval. Villanueva admitted that Shining Path members have raided Bolivian territory but did not say whether there have been terrorist actions.

In response to a journalist's question, he said: "It is true that the Shining Path has entered Puno. To deny that they have entered Bolivian territory would be a lie and would mean trying to ignore their methods." He explained that "their method is to expand their forces."

There are two ideological trends that use terrorism as a method of struggle in Peru. They are the Maoist Shining Path and the peasant Tupac Amaru Revolutionary Movement.

In addition to these influences in Peru, the situation is conspicuous by the sensationalism that surrounds events. "While its focus remains in Lima, it has spread all over the world," he said. Villanueva added: "The media can help to eliminate this phenomenon."

He reported that the Armed Forces of both countries, within their own jurisdiction, will promote bilateral intelligence conferences, both at a bilateral and at a subregional level. "This is an essential factor in the fight against terrorists, who are criminals," he said.

Concerning the organization of peasant self defense committees, he said that it forms part of a three-stage proposition: Prevention, intervention, and consolidation.

Mining Minister Signs Letter With Uruguay

PY0207232591 La Paz Radio Fides Network in Spanish 1100 GMT 2 Jul 91

[Relay from Santa Cruz]

[Text] The gas and iron industries of the Latin American Southern Cone will benefit from a letter of intent signed in Santa Cruz yesterday by Bolivian Mining Minister Walter Soriano and Uruguayan Industry and Energy Minister Augusto Montes de Oca.

The two ministers commented on their respective government's decision to pursue the integration of the region through the exploitation, production, and marketing of iron. Efforts will be also made to establish a market in the River Plate Basin.

The project will include the installation of a sponge iron plant in Nueva Palmira, Uruguay, on the banks of the River Plate. The letter of intent also provides for the construction of a port for loading the ore in Bolivian territory. Up to two million tons per year of raw material will come from El Mutun mine and from other countries. The limestone, sand, and other raw materials will come from Uruguay, the natural gas will come from Bolivia for the sponge iron production, using Uruguayan electrical energy and manpower. [sentence as heard]

The project also foresees the use of the appropriate types of vessels to transport the iron ore along the Parana and Paraguay Rivers. It is also intended to encourage private enterprises to help with the plan.

Brazil

Foreign Minister Departs for Geneva Conference

PY0207234191 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 1 Jul 91

[Text] Foreign Minister Francisco Rezek today left for Europe to participate in a top-level conference of the UN Economic and Social Council [ECOSOC], which will be held in Geneva on 4 and 5 July.

On Sunday, 7 July, Rezek will leave for Bonn where he is scheduled to meet with his German counterpart Hans-Dietrich Genscher on 8 and 9 July.

The foreign minister left Brasilia today for Europe. He will visit Geneva and Bonn. While in Bonn, Rezek will discuss the visit that German Chancellor Helmut Kohl will make to Brazil in October.

Meanwhile, a Brazilian trade delegation will arrive in Turkey on 3 July. The objective is to seek rapprochement between Brazilian and Turkish enterprises over joint actions in the Near East. The Brazilians will engage in petroleum prospecting. Interaction in the civilian construction sector will be the main subject of these discussions.

Itamaraty has also confirmed the visit Foreign Minister Rezek will make to Cape Verde on 25 and 26 July. He will participate there in the fifth meeting of the bilateral joint commission. Brazil is one of the main trade partners of Cape Verde, and the recently elected government of that African country has expressed interest in strengthening and diversifying its cooperation with Brazil, not just because of the historical and cultural ties, but also because of the geographic and economic advantages.

According to Itamaraty, the foreign minister's trip seeks to strengthen cooperation among friendly countries.

Plan Approved To Swap Debt for Ecology Projects

PY0207184691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Jul 91

[Report by Luis Augusto Mendonca]

[Text] President Fernando Collor has approved a plan to swap foreign debt for environmental projects. In accordance with an experimental program for the conversion of $100 million of the Brazilian debt into environmental preservation projects, a foreign company interested in taking part in the program can do so by buying foreign debt papers and donating them to public or private Brazilian foundations. Foreign companies can also choose the environmental project in which they want to invest money. The foundations will receive a title in perpetuity, which is still to be created, from the Treasury. If or when a foundation is dissolved, this title in perpetuity will return to the government.

After meeting with President Fernando Collor, Economy Minister Marcilio Marques Moreira said that the government will not accept any conversion unless it is done through donations.

[Begin Marques Moreira recording] Some other proposals have been made, but they will not be approved. The swap can only be made through donations or operations aimed at privatization because, otherwise, inflation would result and we cannot agree to that. We are currently implementing a very strict, austere monetary policy; therefore, any other type of operation is excluded. [end recording]

The environmental preservation projects will be evaluated by a commission made up of the economy and foreign ministers and the environment and technology secretaries.

'Rapprochement' Sought With Sao Paulo Governor

PY0207184391 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 2 Jul 91

[Excerpt] Economy Minister Marcilio Marques Moreira is in Sao Paulo where he met this morning with Sao Paulo Governor Luiz Antonio Fleury Filho.

The minister spoke briefly with the governor. The meeting marks the beginning of a new phase in negotiations over the debt that the state owes to the federal government. The debt amounts to 850 billion cruzeiros. The meeting also indicates political rapprochement between President Fernando Collor and the governor. The minister said that his mission in Sao Paulo had both economic and political objectives.

[Begin Marques recording] The main topic of conversation was obviously the economy. But it also had political objectives. We consider both objectives to be important because the Collor administration wants to reach a broad national understanding through which to solve Brazilian problems, which are of a collective and an single nature. [end recording]

[Begin Fleury recording] I enjoyed a good dialogue with the previous administration. Ours was a good dialogue. But I would say that the dialogue with the current economic team is more soft [preceding word in English]. [end recording] [passage omitted]

* Level of Embassy Operations in Iraq Viewed

91SM0354D Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 May 91 p 8

[Text] Brasilia—Brazil does not intend, for the present, to resume full operations at its embassy in Baghdad, contrary to what some governments (of African countries in particular) are doing. The new Brazilian ambassador to Iraq, Fernando Silva Alves, who has already been appointed and has received Senate confirmation, is in Trinidad and Tobago awaiting the opportune moment to assume his new post. Charge d'Affaires Rene Loncan—who left Baghdad just before the war and has been in Jordan ever since—continues to serve in that capacity.

This month the Ministry of Foreign Affairs sent Secretary Henrique da Silveira Sardinha Pinto on an administrative mission to Iraq. He went there to determine whether the embassy, the ambassador's residence, or the homes of embassy personnel had been impacted in any way during the conflict. On his return to Brazil the secretary declared that everything was in order.

Henrique Sardinha Pinto checked out property and personal belongings. Not even the embassy automobiles sustained any damage. He was also able to arrange for the forwarding of the baggage of former Ambassador Mauro Couto, who because of health problems had left Baghdad well before Iraq's invasion of Kuwait on 2 August of last year. Couto's baggage, and the baggage of another diplomat who had been transferred, had been impounded by Iraq since that time.

Sardinha Pinto also paid the wages of the Iraqi employees who had remained to perform maintenance at the embassy, which had been deactivated but not closed. These employees had reported frequently—but somewhat unreliably—to the Brazilian Ministry of Foreign Affairs on events as they developed. To date, few countries have resumed full operations at their embassies in Baghdad.

* Overview of SAE Structure, Activities

* Intelligence Reformed

91SM0357A Rio de Janeiro O GLOBO in Portuguese 2 Jun 91 p 10

[Article by Joao Alberto Ferreira and Monica Prado: "Collor Modernizes, But Does Not Listen to His SNI"]

[Text] Brasilia—The government has eliminated the initials SNI [National Intelligence Service and adopted

SAE [Secretariat of Strategic Affairs]; it has traded the doctrine of security for one of development; it has sent agents home, put a civilian in command, and apparently is no longer using military intelligence services to spy on the lives of others. Today, it has already been ascertained that the state is not threatened by an unfriendly ideology, but by pockets of poverty and underdevelopment. Among other things, the SAE will concern itself with computer technology, industrial competitiveness, the energy picture, and ecology.

The squeeze on the [intelligence] community removed a large number of military from the SAE, but the sector has not been entirely demilitarized. Most of the personnel were trained at the ESNI (National Intelligence School).

As always, the director of the intelligence sector exerts a strong influence. In a government with much personal friction, no one takes the risk of publicly criticizing Pedro Paulo Leoni, secretary of strategic affairs. Everyone knows that, despite the limits imposed on the SAE, Leoni's power extends over broad sectors of the government. There is some change, however; the SNI had no limits.

In 1979, Gen. Newton Cruz, chief of the Central Agency of the SNI, thought national security was being threatened when landless farmers invaded an estate in Ronda Alta, in Rio Grande do Sul. He alerted Gen. Octavio Medeiros, minister-chief of the SNI, who advised Gen. Joao Figueiredo, then president, and sent half a dozen agents there. When the agents returned, Gen. Newton Cruz analyzed the information they brought back, determined that the solution was to settle the farmers a long way from there, and decided to create a new city. Thus was born Lucas Verde, in Mato Grosso.

"I created a monster," Gen. Golbery, the [SNI's] creator and first chief, used to lament.

Today, Newton Cruz recalls wistfully:

"It was common for the president to have an SNI document on his desk, telling him what his ministers were going to talk about when they had an audience with him."

Now, two years later, Newton Cruz is on reserve status, fighting charges of involvement in the assassination of journalist Alexandre Von Baumgarten, and President Collor is giving preference to documents written up by other sectors. When the Gulf War broke out, the SAE presented the assessment prepared by its analysts to Collor and the EMFA [Armed Forces General Staff] presented another one. Collor chose to listen to the EMFA.

The EMFA document, signed by Col. Fernando Leme, who was attache in Baghdad until five days after the conflict started, warned the president that Brazil should prepare for a war of medium duration. The war ended a few hours after the meeting.

The president was informed about the progress of the general strike called by the CUT [United Federation of Workers] on 22 and 23 May, through bulletins prepared by the Federal Police Department, which has 80 posts spread out over the country. Until the Sarney administration, this was the role of the SNI. In those days the SNI had mobility, since it functioned as a central organ of information gathered by its agents and by agents of the CIE (Army Intelligence Center), Cenimar (Navy Intelligence Center), and CISA (Air Force Intelligence Center). Today the SAE does not work with agents and the military agencies are limited to strictly military objectives.

A specialist in the sector is Col. Geraldo Lesbat Cavagnari Filho (reserve), chief of the Center for Strategic Affairs at the University of Campinas. The colonel heard from friends in the intelligence community that the Intelligence Division of the SAE is limited to producing intelligence (read the analysis of affairs) based on the reading of newspapers, specialized magazines, and various documents signed both by the government and by sectors of the civilian society. In the language of the community, intelligence is the production of the version which most closely approximates the facts and the prediction of future events [based on] that version. The intelligence is produced for the president's use. Based on what his friends told him, Cavagnari, who has a lengthy LDP (Survey of Biographical Data—the dossiers which the SNI put together regarding the lives of individuals), reports:

"They are no longer using the so-called undercover methods."

He interprets:

"Translated into the language of the layman, this means that the intelligence sector is no longer tapping anyone's telephone to spy on his life, nor is it going into areas where it has no business, in order to 'lift' incriminating documents and things of that nature."

* Parabolic 'Snooping'

91SM0357B Rio de Janeiro O GLOBO in Portuguese 2 Jun 91 p 10

[Text] Brasilia—The SAE is initiating its international snooping activities. Obeying the change in direction determined by Collor for the intelligence sector, the secretariat should become an agency devoted solely to foreign intelligence. It has already begun to make investments; it has purchased two parabolic antennae, for monitoring television broadcasts to keep abreast of what is going on in the world. It is ahead of its predecessor, the SNI. In an era without parabolic antennae, the SNI invaded the international area by sending two agents abroad: one to Nicaragua and the other to Argentina.

The military intelligence services which once supported the SNI but which do not currently exchange information with the SAE, now look out only for their own interests. For example, the Army Intelligence Center is investigating the level of dissatisfaction in its ranks because of the low wages. In the course of the investigation, it discovered that 90 lieutenants who serve in Rio are living in "favelas" [slum shanty towns].

The SAE's forte is information analysis. Little else remained to the agency after the Constitution instituted "habeas data," giving citizens the right to know what information the government has collected about them. Among other things, the Constitution prohibits telephone surveillance without a judicial order. The SAE's remaining personnel are staff members who formerly ran the bureaucracy. Now, transformed into agents, they are responsible, for example, for covering the president's passage up and down the ramp of the Planalto Palace, and they are not always competent at this task. When Collor was in Madrid, on that same Friday, in Brasilia, two agents were assigned to the impossible duty of covering the ceremony of the presidential descent down the ramp. And the photographic equipment they used in this "operation" was damaged in the rain.

"If Brazil is to have a good intelligence service, like those in the First World, it must do away with this one and create another one," recommended an expert in the matter, Col. Geraldo Ledbat Cavagnari Filho, director of the Center for Strategic Affairs at the University of Campinas.

He added:

"Those who stayed on were the worst cadres in the SNI—poorly qualified civilians who were more militarized that the military themselves."

Army Col. Gelio Fregapani, who has been on reserve status for five years, has always been connected with the intelligence community. His specialty: "Amazon Region Affairs on the North Side of the Solimoes." Two months ago, he met with Pedro Paulo Leoni, secretary of strategic affairs, to deliver the report on the expedition to the Pico da Neblina, conducted last November with scientists of the INPA (National Institute for Amazon Region Research).

"Leoni is very calm and attentive, but I left there with the impression that he studies the background of individuals before he talks with them," he said.

According to Fregapani, the elimination of the SNI was a good measure.

"Meddling in other people's lives, in gossip, and in partisan intelligence debases and destroys an agency which is necessary to a country that wants to move out of underdevelopment and join the First World," Gelio Fregapani said.

* ESNI Now CFARH

91SM0357C Rio de Janeiro O GLOBO in Portuguese 2 Jun 91 p 10

[Text] Brasilia—When the SNI went down, it took with it the National Intelligence School (ESNI), created in the Medici administration to train agents and analysts for the "intelligence system." The ESNI instructed the cadres in the doctrine that once guided intelligence work. The ESNI has been replaced by the Center for Training and Development of Human Resources (CFARH), which, in 15 months, has only offered refresher courses for the SAE "servants" and formed study groups to draw up a new doctrine, based on modern concepts of strategic intelligence.

The courses for the training and development of analysts have been eliminated. The CFARH is conducting retraining courses (46 hours, on the average) for employees who have been transferred from administrative work to intelligence activity. A group of instructors is working on studies to reestablish the training courses for agents and analysts, concentrating on the foreign area, "under the new doctrine and orientation."

The training of agents and analysts by the CFARH is restricted to SAE employees. The ESNI taught military and civilian police who were working in intelligence sections. The ESNI courses were also attended by officers of the CISA (Air Force), Cenimar (Navy) and CIE (Army) and members of the Federal Police Department.

Only 700 of 3,000 Employees Remain

Brasilia—The package for the reduction in force of the SAE allowed only 700 of the 3,000 employees of the defunct SNI to remain in the Secretariat. Of the 700 employees, 250 are analysts, 150 are agents, and 200 are administrative personnel. The employees lost the perquisites of an apartment, government bus transportation and cafeteria privileges, and medical and dental assistance, and got their own wage table, distinct from that of other employees of the executive branch. In the new table, bonuses have been incorporated into the salaries and an analyst who was trained in the old National Intelligence School (ESNI) is earning about 500,000 cruzeiros.

The reduction in force was pursuant to an order from President Fernando Collor to reduce and demilitarize the sector. First, active officers of the Army, Navy and Air Force, members of the Civil and Military Police of the Federal District, and members of the Federal Police Department were sent back to their services of origin. Then a second group of employees—mostly reserve military—were pronounced expendable and those who were released put on their civvies for good. Most of the officers declared expendable had been chiefs. Those who remained in the SAE because they had job stability have been pushed aside into unimportant jobs. [paragraph as published]

To fill staff vacancies, the SAE transformed employees in administrative services, through retraining courses in the CEFARH, into "assurance" workers. Several plumbers, electricians, and carpenters became "installation assurance" workers. Others were turned into agents and received courses in personal security and in how to search out data to complement intelligence reports. Analysts became the "stars" of the SAE, engaged almost exclusively in the analysis of information, to assist the president's decision-making.

The analysts assigned to the Intelligence Department and the regional offices process information [for reports] ordered by the president. Some analysts have already received notes from Collor indicating aspects for which he would like a more detailed analysis. Before the

president travels anywhere in Brazil, analysts visit the locale. They conduct a "sweep" to ascertain if there is any possibility of a demonstration against the government or an attack against the president himself.

[Box, p 10]

SAE Staff Supported by Military

The SAE is organized in three departments and three coordinating sections. The most important of these is the Intelligence Department, followed by the Department of Macrostrategy, for which the post of chief has been vacant for two months, since Pedro Bara's letter of resignation has never been acted on. The Department of Special Programs, the Research and Development Center for Secure Communications, the Center for Training and Development of Human Resources, and the Office of Coordination of the Administration carry less weight.

One of the more noteworthy executives is information analyst Flavio Duarte, present undersecretary and director of the Intelligence Department. A former ensign, recruited for the SNI in 1973 and later chief of the Cenimar [Naval Intelligence Center], Duarte had ties with Lindolfo Collor, the president's uncle.

Pedro Paulo's staff is supported by reserve and active military officers. The chief of the Department of Special Programs, which is responsible for the Northern Channel and Nuclear Energy, is Air Force Col. Marcos Oliveira. Luis Antonio Bittencourt Emilio, 35, director of the Center for the Training and Development of Human Resources, is a former military officer. Mario Rogerio Gama, chief of the Research Center for Communications, and Oswaldo Cevoli Filho, chief of the Office of Coordination of the Administration, are both former military officers. The only one without any military experience is Secretary Pedro Paulo Leoni himself.

* Economy Begins To Show Signs of Recovery

91SM0354A Sao Paulo VEJA in Portuguese
29 May 91 pp 84-85

[Unattributed article: "Signs of a Rebound"; first paragraph is VEJA introduction]

[Text] The economy is showing signs of recovery, unemployment has stopped rising, and there are differing opinions as to whether the country has hit bottom.

Some signs are beginning to indicate that the Brazilian economy may be recovering some of the vigor it has lost since March of last year, when President Fernando Collor de Mello handed down his first economic package. For the first time this year, the weekly balance sheet of dismissals and hirings published by the Sao Paulo State Federation of Industries showed a positive result. In the first two weeks of May, industry in the state of Sao Paulo hired 3,874 more workers than it dismissed. It is a drop in the bucket compared to the tidal wave of 130,000 persons who lost their jobs since the first of the year, but it indicates that unemployment has stopped rising in Sao Paulo industry. Last week the IBGE [Brazilian Institute of Geography and Statistics] announced that the economy recorded a 7.6 percent decline in production during the first quarter of the year. The problem with this calculation, however, is that it compared the first quarter of 1991 with the first quarter of 1990—a period during which the economy was overheated.

Inflation is decreasing, at least for the time being; the auto parts sector has resumed its investments; and Brazilian exports jumped from $2.6 billion in March to $3 billion in April. Anyone who visited factories making footwear, agricultural machinery, fertilizers, or plastic containers in the past few days would have seen that these factories have stepped up their output to keep pace with the increased number of orders they have been receiving recently. New Holland Ford—an agricultural machinery factory in Curitiba that is controlled by Fiat of Brazil—sold only 28 tractors in February and 87 in March; last month 314 were sold. However interesting these signs may be, they are far from being grounds for manifestations of euphoria.

The Cholera Syndrome

The most optimistic conclusion that numbers like these allow is that the recession has already bottomed out. Last week this was one of the points on which economists, businessmen, and even Economy Minister Marcilio Marques Moreira agreed. A second point of agreement was that there are problems to be solved before envisaging a resumption of growth, the most serious of which is inflation, which with the help of the price freeze and certain external factors is merely taking a leave of absence.

"Two syndromes have helped to contain inflation: the cholera syndrome and the anabolized steer syndrome," says Deputy Antonio Delfim Netto. The fear of cholera has reduced the consumption of vegetables and legumes by as much as 50 percent in certain greenbelts such as Sao Paulo. Authorship of the other syndrome must be attributed to the zeal of Agriculture Minister Antonio Cabrera, who is conducting a campaign against the use of anabolic steroids to fatten cattle. Cabrera is absolutely correct, but it is likely that his campaign has put a damper on beef consumption. Last week FIPE [Economic Research Institute Foundation] published one of the lowest indices of inflation in recent years: in the 30-day period between mid-April and mid-May, prices rose only 6 percent by comparison with the previous 30-day period.

It is a good result, but the usual dangers exist where inflation is concerned. "Inflation is restrained, and the reason it is not exploding is low demand," Delfim says. Moreover, there is a price freeze, and no one knows for certain what kind of bubble is growing underneath the surface. Merchants in Rio de Janeiro and Sao Paulo last week went so far as to close their doors for several hours to protest the freeze. The principal complaint of the store owners is directed against a decree by former Secretary

of Supply and Prices Edgar Pereira that allows industry to readjust prices but prevents merchants from doing so. The decree allows price increases provided they do not reach the ultimate consumer.

A Basket of Eggs

The government's problem now is to find a way to remove prices from the freezer without raising the temperature of inflation too much. National Secretary of the Economy Dorothea Werneck last week announced a plan to gradually thaw out prices, which would remain under control for at least a year. Dorothea does not intend to deny a price readjustment to someone who needs it, but wants to trade any increases for a promise by the company in question to invest in productivity and in the quality of its products. No matter how hard the new team tries to manage the thawing process with the care taken by someone who is holding a basket of eggs, it will encounter some bumps and jolts in the coming months that could endanger the cargo.

"Marcilio's team is still in the process of familiarizing itself with the control buttons of the economy," says the economist Carlos Alberto Longo of Sao Paulo University. Longo's rationale is that the lack of confidence in the government, the removal of price controls now under way, and the confusion in respect to economic policy will tend to cause a 15 to 20 percent monthly rise in the inflation rate around September. If the situation does reach that point, the economic team might not hold out and might reach into its collective pocket and pull out Collor Plan III. That is precisely what the business community would like to avoid—more surprise plans that would change the rules overnight.

"In order to regain the confidence of the community, the government needs to adopt technical measures that have been discussed in a democratic manner," says Pedro Armando Eberhardt, president of the Auto Parts Industry Association. According to Eberhardt, the auto parts sector is making a total investment of $3 billion between now and the end of 1992. An additional investment of $4 billion may possibly be made, but "only if the government shows signs of according better treatment to the business community," he says.

Early this year some gloomy predictions concerning the Brazilian recession were circulating in the marketplace. Some people were predicting a decline in the GDP of as much as 10 percent—a terrifying prospect. The professional forecasts are calmer, however. Last week MCM—the economic consulting firm of former minister Mailson da Nobrega—was working on the hypothesis that the GDP could halt its decline and possibly even grow slightly this year. It is not the beginning of a recovery phase, however. There is a country to be reorganized, and many problems to be resolved in that connection. One of the most difficult problems to solve relates to the National Treasury. Under the provisions of the new Constitution, the government is entitled to use only 20 percent of the Treasury's receipts. It cannot manipulate its accounts unless it is postponing expenditures or dealing with bad debts or confiscations. "The Constitution has sown the seeds of a fiscal disaster," Mailson says.

*** Embraer Forced To Delay Projects One Year**

91SM0354B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 19 May 91 p 10

[Article by Francisco Pereira: "Crisis Forces Embraer To Postpone Projects"; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] Lacking money, the company is shelving the plan to produce the EMB-145 jet and the CBA-123 turboprop.

Sao Jose dos Campos—Embraer has been forced to postpone all of its projects for at least one year. Immersed ever since late last year in the worst crisis in its history, the company was out of cash, it had no credit, and the government did not appear disposed to invest in the company. Accordingly, the principal projects—the CBA-123 19-passenger pressurized turbojet airplane produced jointly with Argentina and christened Vector, and the EMB-145, a project for the first Brazilian-made 45-passenger jet airplane, were shelved.

In January, however, the company decided to resume the projects gradually, so as not to lose market share. Although it had decided to delay the start of mass production of the CBA-123, Embraer is making changes in the plane in order to lower its cost. The project has already used up approximately $190 million, and it is estimated that an additional $140 million will be needed before production begins.

The company says there is no market for the CBA-23 at present, because regional aviation prefers planes that carry from 40 to 50 passengers rather than planes in the 20-seat category. The plane sells today for $5.6 million, and Embraer's plan is to reduce this price to $5 million. No contract for the sale of the aircraft has been signed to date.

Approximately 10 days ago the technicians completed work on the executive version of the plane. This new model has a capacity of eight passengers, two desks, a more comfortable cabin, and a kitchen. It will be presented next month to the Special Transport Group (GTE) of the Ministry of Aeronautics for evaluation and tests over a period of 20 days. The company wants to "sensitize" the Brazilian Air Force to buy the model for its fleet that it uses to transport public officials. The new plane will subsequently leave for a tour of the United States. The Embraer Aircraft Corporation, a U.S. subsidiary of Embraer, has prepared an extensive schedule of visits to potential purchasers of the model.

The Brasilia will also incorporate technological changes between now and 1993. This 30-passenger turboprop plane is the company's principal product. Within two years Embraer plans to have the Brasilia-ER—an improved version of the present model—ready for

delivery. Its takeoff weight will be increased to 12,000 kg, which will enable it to fly distances of up to 1,481 km compared to 1,105 km at present. The new model will also have new turbines, and the company is considering the adoption of new six-blade propellers. The propellers currently in use have four blades.

With these modifications, the Brasilia-ER should require less distance to take off, will gain altitude more rapidly, and will have a slightly higher cruising speed. The passenger cabin will also be quieter, thereby increasing comfort. There is no estimate of the cost of the new configuration of the Brasilia; the current model costs $7.5 million.

Jet Plane

Embraer has also resuscitated the plans for the EMB-145 jet plane, but does not have the funds to undertake the project. It is estimated that $300 million will be needed to carry out the project, and the company reports that it has only $100 million available. Last year the initial configuration of the jet plane did not pass its tests and caused damage totaling $20 million.

The technical experts reworked the entire project, however, and the company reports that the new configuration passed the tests that were made recently in the Boeing wind tunnel in the United States. The company will now request authorization from the government to sign risk contracts with companies interested in participating in the project.

To obtain the money to produce the jet plane, Embraer has studied the possibility of joining with some suppliers who would invest with no guarantee of a return on their investment and would receive a return only in the event the planes are sold. The initial prediction was that the first prototype would fly this year and would go on sale in 1992. Because of the delay, however, the schedule will have to be revised. It is estimated that the plane will be priced at $11 million.

Embraer is also making changes in the Tucano—a light turboprop aircraft for military training purposes—with the aim of participating in the bidding that will be opened in 1993 by the U.S. Air Force for the purchase of 900 training planes. If it is included in the group of countries selected by the USAF, Embraer could close the biggest business transaction in its history, inasmuch as the bidding envisions the expenditure of $2.7 billion.

The company's technical experts hope to complete the modifications of the Tucano by July, when the flight of the new model is scheduled to take place. The Tucano-II will have its airframe reinforced and enlarged by 30 cm in the front part and by one meter in the rear part between the tail and the cockpit. The Tucano-II will also have a more powerful engine—of 1,600 horsepower, compared to the 1,100 horsepower of the current model. This will enable it to develop a speed of 600 km/h—200 km/h faster than the original model. Embraer is expected to invest $2 million in the prototype of the plane, which by the end of the year will be offered to the United States.

Cunha Predicts Recovery in One Year

Embraer President Joao Cunha promises to bring about the company's recovery within one year. He expects that in the process he will receive assistance from the government, the company's major stockholder. Embraer has accumulated a debt of $600 million, has no credit, and is unable even to pay the 89 percent wage readjustment to its employees in accordance with the decision of the Regional Labor Board of Campinas.

On Monday Joao Cunha went to Brasilia to deliver to Economy Minister Marcilio Marques Moreira the outline of the plan to rescue the company. He expects quick approval of the measures, which have the support of Aeronautics Minister Socrates Monteiro and other military men who have entree at Planalto Palace.

In Cunha's opinion, what Embraer lacks is entrepreneurial-style management. He says Embraer was always managed by people who had great technical competence but did not know how to manage the company.

Although he has not revealed details of the plan, Cunha states that one of its principal points is extension of the term for payment of the debt to five years. Embraer's inventory alone is currently valued at $490 million. "This situation is ridiculous," Cunha says. Embraer also needs financing to export its products. Cunha expects that Embraer will be one of the first state enterprises to benefit from the Export Program (Proex).

The recovery plan also calls for strengthening the company's subsidiaries: the Embraer Aircraft Corporation in the United States and the French Embraer International Aviation. Using its subsidiaries to handle sales abroad would save Embraer $22 million annually.

With respect to domestic operations, Cunha says he is reorganizing the management of the company. He believes there is still "fat" and that there may be further dismissals. Last year the company dismissed approximately 4,000 workers and reduced the total number of its employees to 8,900. Its monthly payroll is 1.6 billion cruzeiros.

The only airplane assembly line that is in operation at the present time is that of the Brasilia, and even it it is operating at reduced speed. Instead of the average of six planes per month that had been predicted, only 4.5 planes per month are coming off the assembly line.

At the beginning of the year the suppliers went so far as to stop delivery of components because of nonpayment of bills, and the company found itself with 28 unfinished Brasilias on the parking lot. The problem began to be solved only after the government paid the $200 million it owed the company. Embraer still has $336 million in accounts receivable from its customers. These resources, however, are not sufficient to bring relief to the company's finances.

The company also expects to sign—during the first half of this year—a contract for the sale of 80 Tucano planes to France for $176 million.

The Market

The aircraft market of the entire world is expected to register sales of no less than $84 billion over the next 15 years. According to a survey of 500 regional aircraft companies that was conducted by the German firm Deutsche Airbus, the demand for aircraft during the period 1990-2005 will total 6,780 units. Of this total, approximately 4,000 aircraft will be turboprops, representing $29 billion in sales for the companies that manufacture these models.

The remaining 2,600 units will be jets, representing $55 billion in sales. The part of the survey that has most attracted Embraer's attention, however, is the fact that the demand for the replacement of turboprops in the 15- to 40-passenger category is the largest segment of the aircraft market—the very category in which Embraer expects to be able to compete with its products, which are considered to be among the best.

Chile

Defense Minister on Pinochet's Alleged Retirement

PY0307030891 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 3 Jul 91

[Text] Defense Minister Patricio Rojas has said that he knows nothing about an article published today by the Spanish newspaper ABC which states that General Augusto Pinochet's retirement has allegedly been negotiated and that he may be replaced by General Jorge Ballerino who, according to the newspaper, is considered the most political general in the Army and is known for his personal dedication to Gen. Pinochet.

On 21 June the Spanish newspaper ABC published the following headline: Augusto Pinochet will leave his right hand man at the head of the Army. The article reports that Pinochet's successor, Gen. Ballerino, coordinated the fake military uprising in December 1990, an incident which frightened the Aylwin administration and put democracy in quarantine.

The article describes Ballerino as the most political general in the Army. This has a dual effect on the civilian officials, who are seduced by his evident talent but who also, on the other hand, fear his power and personal dedication to Pinochet. The article adds that Ballerino acts as Pinochet's spokesman and as a filter for people who want to meet with Pinochet.

The article, which is signed by Francisco de Andres, special ABC correspondent in Chile, also states that on 19 December 1990 Ballerino made an offer to Defense Minister Patricio Rojas for Pinochet to retire in 1992 in exchange for political guarantees.

Today at Government House, however, Minister Rojas asserted that he knows nothing about these statements.

[Begin recording] [Unidentified Reporter] Is it true?

[Rojas] Many rumors have been going around lately.

[Reporter] Then you are not confirming it, Minister?

[Rojas] I know nothing about that. Thank you.

[Reporter] Thank you. [end recording]

Minister Discusses Trade in Letter to Baker

PY0207235191 Santiago EL MERCURIO in Spanish 22 Jun 91 p C-2

[Excerpt] Foreign Minister Enrique Silva Cimma has sent U.S. Secretary of State James Baker a letter reasserting the Chilean position of consolidating regional democracy in light of the new international order.

The Chilean minister's letter answers one sent by Secretary Baker at the time of the 21st OAS General Assembly.

Silva Cimma's letter states: "I believe that the consolidation of the democracy for which we yearn requires mechanisms to ensure free trade among the countries of our region because the new international order calls for an ever-increasing expansion of economic relations."

He adds that within this framework the Americas Initiative is specially significant because it opens new perspectives on relations in this hemisphere, gives a new dimension to trade and to the reduction of foreign debts, and stimulates investments." [passage omitted]

Aylwin Receives Visiting Spanish Navy Chief

PY0307030491 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 Jul 91

[Excerpt] Admiral Carlos Vilas, chief of the Spanish Navy General Staff, has said that his meeting this afternoon with President Patricio Aylwin was pleasant, warm, and interesting. Admiral Jorge Martinez Busch, Chilean Navy commander in chief, accompanied Vilas during his meeting with the president. Adm. Vilas said he was visiting Santiago to reciprocate for Adm. Martinez' visit to Spain. [passage omitted]

* Aylwin Sends Municipal Reform Bill to Senate

91SM0355A Santiago EL MERCURIO in Spanish 19 May 91 pp A1, A16

[Text] Marked "urgent," the government yesterday sent to the Senate a modified proposal on regional and municipal constitutional reform contemplating the democratic election of all mayors and councilmen in the country by universal suffrage and setting the date of 30 June 1992 as a deadline for their election.

The proposal, which may begin its journey through the legislative process in the Upper Chamber as early as tomorrow, also establishes municipal autonomy for administration of finances.

The proposal was drafted on the basis of an agreement recently reached between the government, the Coalition,

and the National Renewal and, as President Patricio Aylwin pointed out in the message accompanying the bill, "the time has come when, in response to a widespread aspiration and clamor of vast sectors of the citizenry, we undertake, in a resolute, broad-minded manner and without secondary considerations or based solely on election calculations, the constitutional validation and eventual legal regulation of proceedings making it possible to respond in practice to their desire" for the popular election of mayors.

It should be emphasized that the modified proposal of regional and municipal reform is only a general framework that does not address issues on which no agreement was reached with the opposition in talks, issues pertaining to the way in which mayors are to be elected, particularly the election system and number of councilmen. These issues, as stated by officials, must be negotiated and worked out by Parliament.

In May 1990, President Aylwin first submitted to Congress a draft reform of the provisions of Chapter XIII of the country's Political Constitution concerning the election of municipal authorities.

The study, initially passed by the Chamber of Deputies, was nevertheless rejected by the Senate.

The new legislation establishes that "the government of Chile is unitary. Its territory is divided into regions, provinces, and communes. The law will tend to make its administration functional and territorially decentralized."

Regions

The Executive Branch also proposed that the government and administration of each region be lodged in the regional government, which is defined as a legal entity endowed with governmental, administrative, and financial competencies and its own patrimony. Its organs will be the intendant, regional council, and advisory bodies of the organized community to be established by law.

It adds that the intendant will be the natural, immediate agent of the president in the region and also the executive organ of regional government. He will be appointed by the president and remain in office as long as he enjoys the latter's confidence.

The proposal suggests a regional council that will be a collegial organ of a normative, resolvent, and auditing nature made up of regional representatives elected in the manner and number established by law.

Concerning the government and administration of the provinces, such governments are viewed as territorially decentralized organs of the intendant. The legislation also proposes that governors be appointed and freely removed by the president.

Municipaliies

The proposal defines the municipality as a legal public entity endowed with administrative autonomy, legal status, and its own patrimony. Its higher organs will be the mayor, municipal council, and participatory bodies as established by organic, constitutional law on municipalities.

It establishes the democratic election of all mayors in the country by universal suffrage, as determined by the constitutional organic law on municipalities. They will serve for four years and may be reelected.

It proposes the creation of municipal councils comprised of the mayor, who will be its president, and representatives of the local community elected by universal suffrage. Council members will serve a four-year term and may be reelected.

The proposal sent to the legislature proposes the establishment of municipal autonomy for the administration of finances and provides that the law will envision a mechanism for equal redistribution of revenue among all municipalities of the country, to be known as the Common Municipal Fund.

The law defines the manner of resolving matters of competency between national, regional, provincial, and communal political and administrative authorities and the manner of settling disputes between the intendant and the regional council and the mayor and the municipal council.

The Executive Branch considers it an indispensable complement of the reform to stipulate that the law may authorize the creation of taxes on activities or assets with a clear regional or local identification, within the framework defined by the law itself, by regional and communal authorities for the purpose of providing for the municipalities' operating expenditures and funding communal development projects.

Elections With Deadline

The proposal contemplates as new temporary provisions to be added to the political constitution those stating that "until the installation of the regional governments and mayors and councilmen elected by virtue of this reform—which election must be held before 30 June 1992—the intendants, mayors, regional development councils, and communal development councils will continue to perform their functions in accordance with existing legislation."

At the same time, mayors and members of communal development councils intending to run as candidates in the first election to which reference was made must resign their posts at least 120 days before the date of that election.

Colombia

Airspace Violations by U.S. Planes Denied

PA0207144691 Bogota Radio Cadena Nacional in Spanish 1200 GMT 1 Jul 91

[Text] Tumaco, Narino—Luis Eduardo Roca Maichel, Armed Forces commander general has denied that U.S. planes are violating Colombian airspace while carrying

out narcotics operations. He also pointed out that the Armed Forces have not been inefficient in the fight against drug trafficking. To the contrary, the Armed Forces are upholding their struggle against this calamity and hope that with the surrender of Pablo Escobar Gaviria justice will be done for all his illegal activities, stressed General Roca Maichel.

This high-ranking official recently toured several towns along the Pacific coast as part of the Armed Forces Health Brigade operations in that remote area. He told reporters that the military, as an organization, will continue its fight against drug trafficking and all those factors that promote violence, until peace and tranquility are attained for the Colombian people.

The Health Brigade operations will continue until 5 July, as several work fronts deal with the cholera cases that have emerged in this region of Colombia.

The general, when asked about the strange presence of U.S. airplanes in the skies of Colombia, said that the flight plans of foreign planes are constantly being authorized, but clarified that the airspace has not been violated, rather that Colombian authorities maintain absolute control over the radar that safeguards national sovereignty.

The Armed Forces commander concluded by underscoring the presence of the Army, the Navy, the Air Force, and the police and mechanized brigades with teams of medical, paramedical, and ordinance personnel to aid the civilian population of Tumaco, El Charco, Barbacoa, and other forsaken towns along the Colombian coast that are facing serious health problems.

* Assembly Continues Discussion on Reforms

* Judicial Reform Approved

91SM0344A Bogota EL TIEMPO in Spanish
15 May 91 p 3A

[Text] Foreign Minister Luis Fernando Jaramillo, who was invited yesterday to attend the deliberations of the First Commission of the Constitutional Assembly, said that Colombia would not skimp on efforts to reform the concordat. Separately, the Second Commission approved extending mayors' terms to four years. In the Third Commission, a majority agreed with making it constitutional for the citizenry to repeal certain laws by referendum. And the Fourth Commission leaned towards the idea of having a prosecutor investigate all crimes. The Constitutional Assembly had an exhausting day yesterday.

First Commission: Administration Stresses Reform of Concordat

The administration of President Cesar Gaviria Trujillo yesterday told the Constitutional Assembly that it has not skimped on efforts and "will not do so in the future" to reach an agreement with the Holy See on reforming the concordat.

In a speech before the assembly's First Commission, Foreign Minister Luis Fernando Jaramillo Correa confirmed that the administration considers it indispensable to amend this treaty, particularly as regards freedom of religion and worship, the right to an education, academic freedom and university autonomy, and the protection of the family.

In its draft constitutional reform the administration has called for changes in areas that have so far been regulated by canon law, such as the civil effects of a Catholic marriage. This required speeding up the talks with the Vatican, because if these proposals are approved, the new constitution would obviously take precedence over an international treaty such as the concordat.

In proposing a reform of the concordat, the administration seeks, for example, to achieve freedom of religious instruction in public schools so that religion, as a subject, is not compulsory but will instead be taught only at the request of parents or students. "True freedom is the power to choose a subject freely," said the foreign minister.

Likewise, the administration wants civil law to provide for the cessation of the civil effects of a canon-law marriage, as it does with civil marriage. The administration does not see how the stability of a marriage can depend solely on the prohibition against remarriage, as is inferred from the application of the concordat.

The foreign minister said that making marriage indissoluble by law has prompted many individuals in unhappy marriages to remarry under foreign legislation. And he recalled that Colombians commonly go to neighboring countries to contract civil marriage, since it is impossible to do so in Colombia.

"In no way does the administration's draft reform endeavor to establish obligatory civil marriage for all individuals. Colombians who profess the Catholic faith would be entitled to contract marriage according to the precepts of canon law, and this form of matrimony would be fully valid inasmuch as its civil effects have to be recognized," said the foreign minister.

Lastly, the foreign minister admitted that the administration has not skimped on efforts, and would not do so in the future, "to reform the concordat by mutual agreement with the Holy See."

The foreign minister's address to the First Commission prompted replies from several assembly members.

Diego Uribe Vargas, a former foreign minister, said that the administration must ultimately decide to denounce the treaty as a way of resolving the problem if the Vatican does not agree to negotiate it. He said that this procedure is acceptable under international law to terminate agreements between countries.

Jaime Ortiz Hurtado, the chairman of the commission, surprised his colleagues and the foreign minister himself by reading a document in which he asserted that the

administration spends close to 12 billion pesos a year to keep the concordat in effect.

He said that the treaty is an unacceptable economic burden on all of the Colombian people which "we in particular, as taxpayers, refuse to have to bear." Ortiz displayed Finance Ministry documents to bolster his contentions.

Francisco Rojas Birry, from the pro-Indian movement, said that the rights and customs of Indians have been violated with the concordat as an excuse.

Former Foreign Minister Augusto Ramirez Ocampo, from the Social Conservative Party, came out in defense of the administration, saying that it was not proper for the assembly to tell it how it ought to conduct international relations.

Second Commission: Mayoral Terms Extended to Four Years

The Second Commission of the Constitutional Assembly approved extending the term of mayors and city councilmen from two to four years and resolved to raise regions and provinces to the status of territorial entities.

In beginning a final vote on the articles that a drafting subcommission had worked on for one month, the Second Commission also accepted a new statute for mayors and town councilmen and resolved that only municipalities can tax real estate.

Among the novelties introduced into the nation's new regional system, the commission approved the post of acting mayors, to be elected at the same time as mayors. The purpose is to avoid having to call elections constantly when there are mayoral vacancies.

One of the main issues before the commission is the degree of autonomy of the regions, which was a key item in the subcommission's debate; the assembly members from the coast defend such autonomy strongly. The issue was resolved with a substitute text submitted by delegates Carlos Holmes Trujillo and Orlando Fals Borda.

In the future, departments and municipalities can group together as regions and provinces, after a referendum in each of these zones.

Delegates Jaime Castro and Hector Pineda abstained on the proposal. Castro said that he agreed with its spirit but not its form, while Pineda argued that the regional system was not in keeping with the country's realities.

The principal change was interpreted thus: up to now the country has been divided into three "territorial echelons," the nation, the department, and the municipality. Under the regulation that has been passed, there could be five: the nation, the regions, the departments, the provinces, and the municipalities, notwithstanding which the special districts could be preserved and the capital district could be created.

To the supporters of this arrangement, the so-called Colombian province thus has a chance to organize itself with greater autonomy in accordance with its own needs. To detractors, this is a dangerous expansion of the bureaucracy, as each new entity would have new institutions such as regional councils and governors and provincial boards of city governments.

The commission also approved the creation of the Territorial Reorganization Commission, whose task will be to make recommendations for adapting the country's territorial division to the provisions of this constitution.

During yesterday's lengthy session the commission also approved the program vote for mayors, as proposed by Holmes Trujillo. This means that those who elect mayors also impose the program that they offered during their campaigns. Failure to carry out the program could mean their recall.

Moreover, municipal councils were empowered to divide the territories under their jurisdiction into communities [comunas] in urban areas and "corregimientos" in rural areas.

Third Commission: Repeal of Laws by Referendum

A new form of democratic participation is among the reforms of the constitution, as a mechanism has been developed whereby citizens can hold referendums to repeal laws that they feel run counter to society's interests.

Laws having to do with international treaties, the national budget, or financial or tax matters would not be subject to repeal.

Discussion of the new article triggered a heated controversy between traditional parties and leftist forces in the Third Commission, where the motion carried by seven votes.

The proposal was originally set forth in the motion that Social Conservative Hernando Yepes Arcila drafted. It prompted debate, however, because of the conditions that it proposed for the number of votes needed for repeal.

At this point, Alvaro Echeverri, a delegate of the AD-M19 [19 April Democratic Alliance], submitted a formula similar to the one that the First Commission had already passed, and the five members of his group, along with Antonio Galan (Liberal) and Alfredo Vazquez (UP [Patriotic Union]) voted for it.

The text that was approved reads: "A number of citizens equivalent to one-tenth of registered voters may ask the appropriate electoral body to repeal a law by virtue of a decision made at a referendum. The law is repealed if one-half plus one of the voters participating in the act of consultation so decide, as long as one-fourth of registered voters take part. A referendum is not in order regarding laws ratifying international treaties, the budget law, and financial or tax laws."

The above means, based on current figures, that at least 1.5 million signatures would be needed to call for repeal

and that at least 3.5 million would have to vote in the referendum (one-fourth of registered voters). The vote of 1.75 million citizens would be needed for repeal.

Other Articles

The Third Commission met all day yesterday.

At the morning session it took up some of the articles on reform of Congress and one that had been pending on foreign policy.

This article enables citizens to ask the Constitutional Court to declare an international treaty, agreement, or accord unconstitutional.

Pursuant to a proposal from the Liberal Party's Hernando Herrera, the following text was approved: "The international treaties, agreements, or accords to which the nation is a contracting party shall be subject to constitutional control. Any citizen may request that the Constitutional Court declare an international instrument unconstitutional once it has been signed but before it has been ratified. The Constitutional Court shall have 30 working days to rule on the unconstitutionality action after hearing the opinion of the nation's attorney general, who shall have 15 days to express it."

Thus, a suit before the Constitutional Court is in order before the treaty reaches Congress for ratification.

The Third Commission also passed rules having to do with the processing of laws.

Fourth Commission: Public Prosecutor in Judiciary

President Cesar Gaviria's administration yesterday suffered perhaps its most serious setback in connection with its proposals for overhauling the judicial system.

The administration's proposal for an Office of General Prosecutor of the Nation [Fiscalia General de la Nacion] was a resounding failure. This was one of the main points in the chief of state's most recent speech to the assembly and one of the proposals defended most energetically by the ministers of justice and interior.

The Prosecutor's Office (an umbrella organization for investigating crime) will be established, but for all crimes, and will not be under the Executive Branch.

The administration's draft reform called for it to be set up under the direction of the president of the republic and to prosecute drug trafficking and terrorist crimes exclusively, in other words, those committed by organized crime.

Thus, the Executive Branch would have insured its permanent presence in the administration of justice, as the Prosecutor's Office would, among other things, investigate and gather evidence through judicial police forces for submission at trials.

The decision to create the Prosecutor's Office as "an autonomous body incorporated into or dependent operationally on the Judiciary" came in a six-to-three vote in the Justice Affairs Commission of the National Constitutional Assembly.

During yesterday's session Interior Minister Humberto de la Calle Lombana tried unsuccessfully to convince the members of the commission that the Prosecutor's Office ought to come under the Executive Branch. He argued that only the administration has the necessary resources and a monopoly on security and police agencies and, consequently, it alone could insure the success of the Prosecutor's Office in pursuing organized crime and its criminal infrastructure.

In the judgment of delegates Carlos Daniel Abello Rocca and Alvaro Gomez Hurtado from the Movement of National Salvation; Hernando Londono, a conservative from Juan Gomez' slates; Jose Maria Velasco from the AD-M19; Armando Holguin Sarria from the Liberal Party, and Jaime Fajardo from the EPL [Popular Liberation Army], these arguments are groundless.

The administration's mission, said Abello, ought to be "to make available to the Prosecutor's Office all of the resources that it may require, and we cannot imagine that this will be the case only if it comes under the administration."

Along the same lines, delegate Hernando Londono indicated that "we are not going to create a system of indictment that will enable innocent enemies of the administration to be pursued and criminal friends of the Executive Branch to be acquitted."

"The overhaul of the justice system," he added, "requires major investments, but this overhaul is the main mission of this assembly, and the administration has the responsibility to guarantee whatever resources are needed to set it in motion."

Meanwhile, delegate Alvaro Gomez contended that common crime is what worries society the most and what is unquestionably going altogether unpunished.

"This business of there not being enough funds for the Prosecutor's Office to investigate all crimes made me shudder," he said. "If this is so, it would be better to think about excluding lawbreaking by organized crime from the jurisdiction of the new agency, because common crime is causing most of the lack of credibility and confidence among citizens."

Delegate Julio Salgado Vazquez, who is opposed to the creation of the Office of General Prosecutor of the Nation, proposed overhauling the current National Directorate of Criminal Proceedings and leaving it up to the Supreme Court to appoint the head of this agency.

Delegate Maria Teresa Garces voiced agreement with this suggestion.

In conclusion, delegate Fernando Carrillo, "while not defending the administration's draft or wanting to make the Prosecutor's Office subject to the Executive Branch's orders," decided to propose "the creation of the Prosecutor's Office, but as an autonomous body independent of the Executive Branch and the Judiciary. His motion was defeated.

The commission will decide today who will appoint the prosecutor. For the time being, however, one of the Gaviria administration's flagship proposals has been partly buried.

* Opposition Guarantees

91SM0344B Bogota EL TIEMPO in Spanish
16 May 91 p 3A

[Text] The First Commission of the Constitutional Assembly yesterday approved a true election reform, one that ranges from the use of the ballot in all elections to the statutes of the parties and the opposition.

First Commission: Party and Opposition Statutes Approved

On the deadline day for approving the reforms of the constitution in the first stage, the First Commission of the assembly laid the groundwork for the institutionalization of parties and political movements and created the "statute of the opposition."

It also paved the way for the establishment of a new, autonomous electoral system, in which among other things the use of ballots would be obligatory in all elections.

Pursuant to what was approved yesterday, the government will help finance the operations and election campaigns of legally constituted political parties and movements.

In this regard, the minority factions represented in the assembly succeeded in putting themselves on a more or less equal footing with the major parties, movements, and groups of citizens in running candidates and benefiting from government economic aid.

Moreover, those holding public office are expressly prohibited from making any contribution to parties, movements, or candidates, and officials who have jurisdiction and authority in government are prohibited from taking part in such political organizations.

Statute of the Opposition

This article provides that the political parties and movements that are not part of the government are entitled to criticize and develop alternative policies.

This same section spells out new facets of the right to reply that political organizations enjoy. First, parties and movements will have access to the government-run mass media in accordance with the representation they have obtained in congressional elections.

Moreover, whenever there has been an obvious distortion or public attack over a mass medium, they will have the right to reply over that same medium and over the government-regulated mass media for the same reason and to preserve fairness in reporting.

The constitution enshrines other party rights such as access to information and public office. They will also have the right to sit on the presiding committees of collegiate bodies in proportion to their representation.

The commission approved an extensive set of articles on the electoral system, though it has not yet been determined whether it will be a branch of government, as the Conservatives want, or an autonomous, independent body.

The commission did establish that it will be independent in discharging its functions, especially from a budgetary standpoint.

Henceforth, the national registrar of vital statistics will be elected by the National Council to a four-year term.

The electoral body will ensure that the regulations on political parties and movements are complied with, that the rights of the opposition and minorities are respected, and that other provisions on political advertising, pollsters and public-opinion polls, and campaign financing are observed.

Individuals related by marriage or blood to the fourth degree of consanguinity, second degree of kinship, or first degree of civil status may not be elected in the same district and as candidates of the same party.

Lastly, the electoral body now has a constitutional obligation to use the numbered ballot supplied by the government at polling places; it must contain all of the necessary information to insure a clear and precise identification of the slate or candidate.

Second Commission: Path Clear for Popular Election of Governors

By a narrow margin yesterday the Second Commission of the Constitutional Assembly approved the popular election of governors, who would serve four-year terms and become agents of the president of the republic to restore and maintain law and order and implement general economic policy.

By a vote of six in favor to one against, with four abstentions, the commission in charge of reorganizing the country's territorial division approved a new facet of the decentralization and regional autonomy plan that it will submit for the consideration of the full assembly.

Voting in favor were delegates Carlos Holmes Trujillo, Eduardo Verano, Juan Gomez Martinez, Gustavo Zafra, Hector Pineda, and Eduardo Espinosa.

A no vote was cast by Jaime Castro, who supported an arrangement under which an electoral college of the mayors in each department would elect the governor.

Abstaining were Juan B. Fernandez, Lorenzo Muelas, Augusto Ramirez Cardona, and Orlando Fals Borda.

The functions of the governor and of the departmental assemblies were also approved yesterday. Yet there was still sharp disagreement over how to choose the assemblies, whether by direct popular vote or by an electoral college.

There is a consensus on making substantive changes in the assemblies, which were described as "worse than Congress."

As this edition went to press, the commission had approved 30 articles on the country's administrative, political, and financial decentralization, all of them designed to strengthen the existing entities (departments and municipalities) and to create new ones (regions, provinces, and metropolitan districts).

The commission approved the creation of metropolitan districts, a proposal that was submitted and defended by delegate Hector Pineda. The article that was approved provides that cities with more than 300,000 inhabitants may form districts along with those neighboring towns and municipalities with which they have territorial, social, and economic links.

Under this proposal, the current special districts would disappear. For example, the Cartagena and Santa Marta districts would come under the system of metropolitan districts, while Bogota would turn into the Capital District.

The commission also approved an article that will enable today's regions governed by intendants and commissioners [corregimientos intendenciales y comisariales] that are established before 31 December 1991 to become municipalities.

Furthermore, it approved the people's right to recall all popularly elected officials in single-choice elections, except the president of the republic. This would apply to municipal mayors, district mayors, and departmental governors.

As for the provinces (a proposal submitted and defended by delegate Orlando Fals Borda), the commission approved the idea that they will be made up of neighboring municipalities or indigenous territories belonging to one or several departments.

"They will be established by a decree of the mayors of the respective municipalities, at the governor's initiative, or by a number of citizens specified by the law," the article reads.

Third Commission: Three Branches of Government Maintained

The electoral body and the agencies that are watchdogs of government (the Public Ministry and the Comptroller's Office) will become independent, autonomous bodies within the structure of the State, pursuant to a decision made yesterday by the Third Commission of the Constitutional Assembly.

The motion calling for a change in the current Section V of the constitution was defended before the commission by delegate Carlos Lleras de la Fuente, from National Salvation, and the proposed articles were accepted almost by consensus among the eight persons attending the session. Delegates Antonio Galan and Arturo Mejia offered alternative proposals.

Text of Articles

Article 55: The branches of government are the legislative, executive, and judicial.

In addition to the bodies making it up, there exist other autonomous, independent ones for the performance of the other functions of the State. The various State bodies have separate functions but work together harmoniously to accomplish their ends.

Article 56: It is the responsibility of the Congress of the Republic to reform the National Constitution, to make the laws, and to exercise political control. The Congress of the Republic shall be made up of (...).

Article 57: The National Administration is made up of the president of the republic, the cabinet ministers, and the chiefs of administrative departments; it executes the law and administers the State. The president and the corresponding minister or chief of administrative department constitute the administration in each particular act.

No act of the president, except the appointment and removal of ministers and chiefs of administrative departments, shall have any validity or force whatsoever unless it is endorsed and communicated by the minister of the respective office or by the chief of the corresponding administrative department, who by this very act become accountable.

The law may create other posts and bodies under the National Administration.

Article 58: The Supreme Court of Justice (the Constitutional Court), the Council of State, and the tribunals and courts that the law specifies administer justice.

(The Senate exercises certain judicial functions.)

Article 59: The Public Ministry and the Office of the Comptroller General of the Republic are oversight bodies.

Article 60: The Public Ministry consists of the Office of the Attorney General of the Republic (the Office of the Prosecutor General of the Republic) and any other officials that the law specifies. The Office of the Attorney General of the Republic is charged with safeguarding and promoting human rights, protecting the public interest, and overseeing the official conduct of those who hold public office, as well as any other functions that the law assigns it.

(The Office of the Prosecutor General of the Republic is in charge of investigating and preparing the criminal cases that the law specifies.)

Article 61: (The Office of the Comptroller General of the Republic) is in charge of overseeing the fiscal management of the State.

Article 62: The electoral organization is made up of the National Electoral Council, the National Registry, and any other bodies that the law specifies. It is in charge of guaranteeing the free expression of citizens through suffrage in those cases that this constitution and the laws specify.

Article 63: In peacetime none of the bodies of the State may exercise functions other than the ones that this constitution specifies for them, nor may they arrogate those that belong to another body or official.

* State of Siege Law Debated

91SM0344C Bogota EL TIEMPO in Spanish 20 May 91 p 6A

[Text] The famous saying that in Colombia there is nothing more permanent than the temporary applies perfectly in the case of the State of Siege. Originally a temporary law, it has become the leading tool for maintaining law and order in recent decades and has been in force almost without interruption.

The problem with Article 121 today is that it no longer works. While it has been in force, violent conflicts have worsened in the country, as the subversive elements than existed when it was issued (1968) have not only diversified but are more powerful as well.

And while the measures against them have proven increasingly ineffective, Colombia's international image has worsened owing to the reports of civil rights violations in world forums.

Hence, the Third Commission held an intense discussion lasting more than 13 hours on reforms of the State of Siege, with five separate motions eventually emerging.

The issue comes before the full session today and is expected to be one of the most controversial, along with the reforms of Congress.

Degrees

What do the changes consist of? Essentially, they offer a new approach: degrees. In other words, a breach of the peace will be handled differently in each instance, whether it be a foreign war, an internal disturbance (subversion or rebellion), and less serious situations such as work stoppages or emergencies owing to disasters.

Many of the articles that were put to a vote in the Third Commission and that will be part of the motion that Antonio Navarro will argue for agree on this. The big difference between this motion and today's Article 121 is that the State of Siege is applied without distinction as to the type of breach of the peace.

The differences between the proposals involve the how and the when.

The motion that is part of the majority report is backed by two Liberals (Alfonso Palacio and Hernando Herrera) and four members of the AD-M19 [19 April Democratic Alliance]: Navarro, Alvaro Echeverri, Abel Rodriguez, and Fabio Villa, and was examined with the administration.

They are proposing that there be basically two degrees: the State of Siege and the State of Emergency.

According to what was approved, the State of Siege would serve to deal with confrontations with another country. To this end, the president would have, besides his regular powers, another type of tool that would even enable him to suspend laws that are incompatible with the enforcement of emergency regulations.

An agreement had initially been reached with the administration that the State of Siege could apply to both a foreign and a domestic war, but only the term "foreign" was included when a vote was taken in the commission.

After the uneasiness that this wording produced, Antonio Navarro announced that in the motion he would propose granting the president the same State of Siege powers to resolve internal conflicts, but that they would last only 30 days.

The State of Emergency would serve to handle situations that threaten the stability of our institutions. The idea is that after it is initially declared, it will last just 90 days, with a maximum extension of one year, after the judgment of Congress is heard; Congress can, nevertheless, refuse to extend it. There are disagreements on this point in the AD-M19, as some feel that the judgment of Congress must be observed.

The decrees that the administration would issue under the State of Emergency would have the force of law and would suspend only the laws that run counter to them. Such decrees may not violate some civil rights.

Administration Position

The other major proposal is the administration's, which was backed on the Third Commission by Liberals Antonio Galan and Guillermo Plazas.

This draft calls for three degrees: alarm, in cases of a mild breach of the peace owing to economic or social causes; internal disturbance, if the state of alarm grows more serious (it would last 45 days and can be extended for equal periods), and the highest degree, war, both civil and foreign, which would give the president superpowers, without limits as to their enforcement.

There is also the proposal of Alvaro Conservative Luis Guillermo Nieto, who favors a 90-day State of Siege that can be extended with the approval of the Council of State. As a higher degree Nieto proposes Martial Law to handle wars with neighboring countries or extreme domestic situations.

Finally there is the proposal of Alfredo Vazquez (UP [Patriotic Union]) and Jose Matias Ortiz (PRT [Revolutionary Workers Party]), who favor a State of Emergency for handling situations that endanger our institutions. They want Congress to approve any extensions after it is in force for 30 days.

These are, in broad outlines, the proposals for amending Article 121.

But the debate does not stop with the duration or extension of these states. Some groups feel that the reforms of the State of Siege ought to lead to an end of the application of today's Article 121 as of 5 July. This would not be an easy decision at all, because a determination would first have to be made about the force of the decrees issued to combat drug trafficking and their possible conversion into law.

Majority Proposal

The following is the text of the articles accepted by a "majority" of the Third Commission:

Article: The president of the republic may declare a State of Siege in the event of a foreign war. By virtue of such a declaration the administration shall have, besides the powers provided for in the State of Emergency, those that the constitution expressly authorizes and those necessary to confront aggression and defend sovereignty or the democratic order. Whatever decrees the president may issue shall suspend the laws that are incompatible with the State of Siege, as long as they bear the signatures of all ministers. (In any event, the exercise of these powers shall be subject to international humanitarian law.) The administration shall declare the peace restored as soon as the war is over.

For today's full session Antonio Navarro, as the sponsor of the motion, suggested adding the following to the previous article:

"In the event of an insurrection or act of violence that poses an extraordinarily grave threat to the democratic order, the president may also declare a State of Siege for 30 days, at the conclusion of which he must lift it or shift to a State of Emergency."

The article concerning the State of Emergency was submitted by Antonio Navarro, Hernando Herrera, and Miguel Santamaria and reads thus:

Article: In the event of an internal disturbance that in the judgment of the administration seriously threatens the stability and operation of the institutions of the State, the president of the republic may, with the signature of all ministers, declare the peace breached and the entire republic or part of it in a State of Emergency for a maximum period of 90 days, subject to extension for equal periods.

Extensions of the State of Emergency shall require the prior judgment of the Congress (Senate), not binding on the administration. After one year has passed from the date of the initial declaration of the State of Emergency, all of its effects shall cease.

By virtue of the declaration of the State of Emergency, the president of the republic shall have the constitutional or legal powers that are provided for him to preserve law and order and may, with the signatures of all the ministers, issue decrees with the force of law designed exclusively to quell the disturbance and prevent its effects from spreading. Such decrees may concern only matters that are directly and specifically related to the situation that prompted the declaration of the State of Emergency. The decrees that the president issues within these specific limitations may not repeal laws. His powers are limited to suspending those that are incompatible with the State of Emergency. At the administration's request, Congress shall consider adopting them as regular legislation in accordance with the special procedures that its bylaws establish.

The exercise of the powers arising from the State of Emergency and their use by any authority shall be commensurate with the circumstances.

* Monetary Controls 'Suppressing' Economic Growth

91SM0358A Bogota EL TIEMPO in Spanish
18 May 91 p 13A

[Text] Excessive control aimed at checking the amount of money in circulation is stifling possibilities of economic growth. Without these obstacles, the financial system could have loaned some 250 billion pesos, the Bankers Association (ASOBANC) claims.

In addition to eliminating any prospect of expanding the portfolio, the latter dropped by 14 billion pesos between December and April, adds ASOBANC president Florangela Gomez Ordonez.

As if this were not enough, the reduction in proceeds from frozen money acknowledged by the government will deal "a stiff blow to financial profits" amounting to some 12 billion pesos (any deposit by the public in the financial system exceeding the recorded balance on 4 January must be transferred to the Bank of the Republic; this is what is known as the "100-percent marginal reserve").

The banking association official emphasized that monetary control must not result in a brake on credit and, consequently, on productive activity and jobs. In her opinion, controls should be placed on current accounts rather than savings, which should be the basis of the portfolio.

Gomez said at a press conference that the financial system has asked the government for seven years to comply with capital requirements stipulated in new financial legislation passed by Congress last year.

This period is based on a simulation of profits including an annual capitalization of 50 percent of sales.

The financial official added that the harsh new monetary decisions will result in higher interest rates. This is so because in order to protect themselves from any reduction in yield from reserves, banks will raise the cost of money for those using credit.

Although there are no concrete figures, she said, one can already see obvious symptoms of "a deterioration in the portfolio" due to monetary control and the economic situation.

At the same time, "there is a clear perception of a growing boom in the market outside the banks." People are bringing in savings from somewhere else and also taking out savings they have in the domestic financial system and loaning them outside the system because they can obtain a higher yield than they would by keeping the money in the regulated system.

In the ASOBANC president's opinion, the sector's profitability "is no greater than that of other economic activities." The intermediary margin, meaning the difference between what is paid on savings and charged for credit, is about 10 percent.

Gomez said that great hope has been roused by the banking convention scheduled for next week in Cartagena, which will be opened by President Cesar Gaviria Trujillo and closed by Finance Minister Rudolf Hommes.

The convention will bring together the creators of innovative financial reforms implemented in Europe and America in recent years. Delegates will also look at internal reform and prospects in the light of current restrictions placed on the economy.

Ecuador

New Education, Culture Minister Appointed

PA0207171191 Quito Radio Quito in Spanish 2300 GMT 26 Jun 91

[Text] Raul Vallejo, who has a degree in educational science, has been appointed the new education and culture minister. He replaces Alfredo Vera, who was censured by Congress last week.

Vallejo was born in Manta on 28 June 1959. He has been a secondary school teacher and a professor at Guayaquil Catholic University. He was executive director of the national literacy campaign and director of the "Ecuador: Study" campaign. He has published several literary and educational books. He is being sworn in at this time.

Paraguay

Soviet Delegation To Visit 24-28 Jul

PY0207210191 Asuncion ABC COLOR in Spanish 1 Jul 91 p 7

[Text] The Chamber of Deputies Foreign Relations Committee has received a note from the Soviet ambassador to Argentina saying that a USSR parliamentary delegation will visit Paraguay for four days beginning on 24 July.

According to deputy Lugo Rodriguez, the delegation of Soviet parliamentarians will comprise between four and eight members of the Supreme Soviet.

The opposition deputy said that the visitor's agenda will be worked out in the next few days.

Lugo Rodriguez said that the bases for trade relations with the Soviet Union will be laid down during the visit.

Lugo Rodriguez said: "I understand that the possibility of establishing formal diplomatic relations with the Soviet Union will be discussed."

Lugo Rodriguez said, however, that he was not sure of the topics that his Soviet colleagues will have on their agenda.

The PRF [Febrerista Revolutionary Party] deputy added: "I understand that the representatives of the Soviet Congress will certainly get in touch with national legislators and government representatives to discuss the possibility of establishing formal diplomatic relations with the Soviet Union."

Peru

Economy Minister on Taxes, Other Issues

PA0307032191 Lima Frecuencia 2 Satelite Television in Spanish 1400 GMT 30 Jun 91

[Interview with Economy and Finance Minister Carlos Bolona, by Luis Libirico, at his home in Miraflores—live]

[Text] [Libirico] We are at the residence of the economy minister of Peru who has graciously consented to grant us an interview. Good morning Mr. Minister, welcome to the Contrapunto program again.

[Bolona] Good morning, Mr. Libirico. I am glad to see you again.

[Libirico] You will probably want to respond to some of the statements made by Dr. Luis Hasen during the interview with Maria Teresa. I would like to begin with a question that comes from one of the most recent statements made by that congressman. Will you or will you not return to the special Bicameral Economy Commission?

[Bolona] I believe that we have already presented our most important tax proposal, the general tax on sales. Members of the commission have been informed of how important this tax is and how important it is to eliminate tax exemptions and to expand the tax inventory. We have also told them that although many believe that the social cost of this tax will be high, because it is somewhat unpopular, in the end this will not be the case because the tax will allow the government to collect tens of millions of dollars for several months. This money will allow us to resolve a number of fiscal problems and to

avoid resorting to taxes that are less systematic and less likely to enable us to solve our problems.

In spite of this, and in spite of the fact that several members of the commission understand this and have acknowledged that this is the way to end our fiscal problems, many of them still believe that it is better not to tax or not to increase taxes on certain products because it is not politically suitable to do that.

I think that this idea of what is politically suitable is not right, and in the end, the social cost will be higher because of our failure to implement a systematic plan.

[Libirico] Mr. Minister, you have accused these congressmen of being too concerned with politics. They accuse you of being too systematic, of being impersonal, of going directly from your work to the official newspaper EL PERUANO, without taking into consideration the thousands of people who take to the streets daily to demonstrate because they have miserable salaries. If the general sales tax you have proposed is approved, many people will find that fish, chicken, and beef, whose prices are already high, will be even less attainable. What do you think of this?

[Bolona] I would say that taxes are a technical matter in many aspects. There cannot be negotiations or political arrangements on every single item. We cannot exonerate privileged groups or groups that want to maintain privileges.

[Libirico] Do you consider work in the jungles or along the borders a privilege, or is it something that should have incentives?

[Bolona] I think that tax exonerations have not yielded results. Instead, they have promoted the creation of artificial industries. The jungle should be producing and exporting products from the jungle. Instead, assembly work is being done there to escape paying taxes and so that products made in Tucalpa can be sold in Lima.

I have my doubts about promoting the development of the jungle and the border areas with this kind of arrangement. This does not mean that I am denying the importance of developing these areas.

[Libirico] The special Bicameral Economy Commission will not approve this IGV [general sales tax] tax on staples and on the jungle and border regions. What are we going to do now? Where are you going to get the economic resources the state needs to resolve its most urgent problems?

[Bolona] I have to say that we have lost an excellent opportunity to expand the tax structure and to have helpful taxes. We lost it because of the failure to accept political responsibilities. It is easier to spend than to impose taxes or to increase taxes. I think we should think carefully about this in our country. Several members of the commission said that the IGV was a good tax and that they should accept it as it was being proposed. Well, there was no agreement and politics prevailed because of the idea that this was the way to protect the most needy. But killing the possibilities of the IGV does not protect the people. The people can be protected with a more adequate budget for education, health, resources, infrastructures, and for security. This is the way to protect the people. We do not protect them by failing to tax this or that product.

What are we planning to do? We have to implement measures on various fronts. We have to continue reducing fiscal expenditures. We have to continue being austere. There are suplementary credits law establishing this austerity. We also plan to freeze salaries in public enterprises, no additional expenditures.

[Libirico] This means that nurses will have no equipment.

[Bolona] I am talking about public enterprises. This freezing will allow us to save resources. We have to rationalize investments on the public sector. This could also provide us with additional revenue. Regarding income, there are taxes that we will have to implement on an emergency basis to resolve the problem, and, of course, prices on key items will definitely have to be adjusted to secure additional income.

[Libirico] Like gasoline, for example?

[Bolona] Gasoline prices have been adjusted in recent months. An additional adjustment was made because of requirementes of the State Petroleum Agency [Petroperu] and because of our fiscal necessity to be able to resolve any eventual problem of sectors that are negotiating this particular issue.

[Libirico] Mr. Minister, could we not utilize part of the resources that are now being used to pay the foreign debt on salaries or on investments for production?

[Bolona] That policy has been implemented. It was unilaterally implemented in the past five years and it brought chaos and the worst disaster in our history. The fact that it was said that we would not make payments to multilateral organizations, the fact that we shut ourselves off from all kinds of foreign aid, led us to isolation and to the worst crisis in our republican history. I do not think this is the way.

[Libirico] But now we have gone to the other extreme, because we are paying $60 million to organizations that do not give us a single penny.

[Bolona] We are talking with them. We have continued making payments. We are close to having support from a group. It has not been easy after five years, during which none of our commitments were respected and our creditors were mistreated. It takes time to recovery credibility. But Inter-American Development Bank and World Bank missions are already drafting projects and credits that they could begin disbursing in September.

I think that it would be absurd to risk losing that just because of the fiscal difficulties we could be going through right now. When we see that other countries, like Russia for example, appealing to Europe and the United

States for support and proposing privatization and other plans, it would be absurd for us to go completely against the current.

[Libirico] Mr. Minister, considering the impasse with the economy commission of congress, what can you tell teachers and health workers who want to see their extremely low salaries increased?

[Bolona] Salaries are low. The government inherited 1 million public employees and insufficient funds to cover the payroll. The past government, during its last few months, spent 114 percent of tax revenues, that is, more than what it obtained from taxes, to cover the payroll. Tax revenues were not enough to cover the payroll. We are covering the payroll now with 40 percent of the tax revenue. This is still high. We have to make a bigger effort. In spite of the fact that the economy commission chose not to assume the responsibility of having a suitable tax and decided that it is easier to look for administrative palliatives or things of the sort, we are going to look for the best formula to solve the urgent salary needs within the framework of our fiscal limits.

[Libirico] The teachers have been waiting for months.

[Bolona] Those needs have been waiting for months.

[Libirico] When will results be seen?

[Bolona] We are talking with the various sectors. I have made a proposal to the sectors, but the sectors, obviously, could have expectations that are not in line with reality or with the fiscal budget.

[Libirico] In recent years Peru has endured 42 severe economic packages [paquetazos]. One of them was backed by former deputy Miller and you backed another one. The people are afraid and wonder: Will there be another package?

[Bolona] When you speak of my package, what is it? The fact that the price of gasoline was hiked 18 percent?

[Libirico] I would say that that package is difficult to accept in a country enduring extreme poverty.

[Bolona] A package implies a number of measures. I think that the price hike was nothing but a single price correction measure. A number of tariffs and prices had to be corrected. This is a normal thing to do.

[Libirico] Now we will have more corrections.

[Bolona] We will have to make corrections because of needs and because tariffs must mirror a true value.

[Libirico] This means we have to get used to living with inflation.

[Bolona] On the contrary, we want to end inflation.

[Libirico] [Question indistinct]?

[Bolona] Inflation could be between 8 percent and 9.5 percent.

[Libirico] But not 2 percent, as it had been planned.

[Bolona] We cannot reach the 2-percent level in the short term. We have to make corrections. Currency modifications have an effect on the cost of living and price modifications also affect the cost of living. The important fact here is the trend. There are positive elements that should be mentioned. Regarding the tax burden, it was 4 percent and now it is 7.5 percent. With regard to international reserves, when we arrived we were $200 million in the red, now we have a $600 million favorable balance.

The interest rates, in dollars, are moving to more accessible levels than what they were during the days of hyperinflation. We have to speak also about consumer durables, including [word indistinct] and automobiles, that are much more within reach now. Nowdays people talk about three-year credits. Sometime ago this was unthinkable. It did not exist.

So, I think there are positive signs that indicate we are on the right road. In addition, we have to maintain a rigid discipline in the fiscal aspect and we must not issue currency.

[Libirico] There will not be money-making machines.

[Bolona] Definitely. This is the most important lesson we must remember. No more money-making machines because the country does not want a repeat of the past hyperinflation experience.

[Libirico] Thank you for this interview. We hope that you recover soon. I noticed that you are somewhat quiet. It looks like this is an ailment that the president also has.

[Bolona] Several ministers have the same thing, but we must continue working in the field.

[Libirico] In spite of the weather.

[Bolona] In spite of the climate, both the political climate and the weather.

[Libirico] Thank you very much.

[Bolona] Thank you.

Government Workers Stage Strikes in Lima

PA0307042591 Lima America Television Network in Spanish 0109 GMT 3 Jul 91

[Text] The Intersector Committee of Government Workers, CITE, today initiated a 72-hour strike to which all of its rank-and-file adhered to support unions that are currently on strike. A large group of striking government employees carrying banners and chanting slogans gathered in the main court of the San Marcos [word indistinct] at the university park.

Following a general assembly during which the workers considered the possibility of staging an indefinite strike in the near future, the workers took to the streets of

downtown Lima to promote disorder despite heavy police surveillance throughout the city.

The strikers attempted to occupy the municipal park but only a small group of approximately 20 demonstrators managed to occupy one of the balconies. The police managed to dislodge them after they spent several minutes shouting their demands.

The demonstrators then spread out to different areas but the 5th police region dispersed them with tear gas. Later on they resumed their street protests [words indistinct] Huancavelica.

The demonstrators also vented their anger by setting tanks of garbage on fire. This is one of the many means that demonstrators use to draw attention to themselves. The demonstrators, a large group comprised of men, women, and children, was rapidly dispersed by the police.

While Education Ministry employees staged protests and initiated a 48-hour strike, the Sole Trade Union of Education Workers [SUTEP] negotiation committee headed by Jose Ramos encountered difficulties in entering the Education Ministry to speak with Education Minister Francisco de la Fuente because the police barred a lateral ministry door as a precautionary measure.

[Begin recording] [Ramos] A platoon of policemen is hindering the SUTEP national leaders' entry to the ministry, alleging a series of problems and even questioning our representativeness and our own personal identification, which is very well known to everyone. I am denouncing this authoritarian attitude on the part of the national police who, surely following the instructions of Economy Minister Bolona, are obstructing a direct negotiation with the education minister.

[Unidentified reporter] What specific points were to be discussed during this direct contact?

[Ramos] The minister is going to make a new proposal to the teachers' movement, and we hope that it will be significant so that we can converse and consult with the teachers if necessary.

[Reporter] Meanwhile, it seems as if the school year is lost. Do you still insist on saying that you can still make up the lost classes?

[Ramos] Of course. We have a great deal of experience in these matters; we are teachers and we know that if we fully use each working day until 31 December, we will recover the school year very well because we know how to work with a curriculum and an appropriate methodology. [end recording]

Concurrently, a few meters away at one side of university park, a group of striking teachers staged a march with the intention of entering the Education Ministry, and they were on the verge of accomplishing this, when the policemen who usually guard this strategic area thwarted their intentions by dispersing them with a good deal of tear gas.

Update on FAP Actions Against Drug Traffickers

PY0307025291 Lima EXPRESO in Spanish
20 Jun 91 p 8

[Text] Peruvian Air Force [FAP] planes yesterday shot down a small aircraft with Colombian registration as it overflew Peruvian territory in the Upper Huallaga area without authorization. The plane was being used by drug traffickers.

The plane, with registration number HK-2394P, is the 50th aircraft interdicted by the FAP so far this year. Most of them have been challenged as they flew over Tocache and Uchiza, San Martin Department.

The office of the FAP general commander reported that the Colombian plane was challenged by A-37 aircraft whose pilots ordered it to land at a nearby base in the Upper Huallaga area. The Colombian plane had been seen at 0915 in Andoas.

The pilot of the Colombian aircraft disregarded orders to land and was shot down as it began escape maneuvers.

FAP aircraft patrolling Peruvian airspace have interdicted 50 planes of various registrations in the past six months. Two have been shot down and the others forced to land at the Santa Lucia police base.

Libertad Movement Leader Gives Up Position

PY0207235791 Lima EXPRESO in Spanish
18 Jun 91 p 2

[Text] Mario Vargas Llosa, the former presidential candidate for the Democratic Front, has declined to be renominated as the leader of the Libertad Movement. Just one year after being defeated at the national elections, Vargas Llosa, however, promised to continue to work for the movement that he founded.

The news that the renowned writer has declined the presidency of the movement, which launched him into politics, was released yesterday by Senator Miguel Cruchaga Belaunte, Libertad Movement secretary general. Cruchaga said that Vargas Llosa had submitted his irrevocable decision in writing.

The senator said that in his letter Vargas Llosa argues that his decision is based on the need to free the movement of the appearance of a party led by just one person and to create the internal conditions for the election of another executive board. The writer said that this decision does not mean that he will give up his political ideals.

Cruchaga said: "Vargas Llosa will work on programs with democratic parties in developed countries where there is more teamwork, where every one shares the work and every one gets credit for it." The senator added that the party's political commission is analyzing the announcement.

The senator confirmed that Vargas Llosa will return to Lima on 28 August to participate in the party congress that will then be held.

* Shining Path's 'Political Problems' Described

91WR0239Z Lima EXPRESO in Spanish
25 May 91 p 4

[Interview with Carlos Tapia, adviser to the Center for the Promotion of Populational Development (Ceprodep), by Pedro Salinas; place and date not given; first two paragraphs are author's introduction]

[Text] Carlos Tapia, adviser to the Center for the Promotion of Populational Development (Ceprodep), has raised the need to establish a National Defense Council in view of the internal war which the country is going through.

According to this leader of the Socialist Left (IS) the president of the republic should chair the National Defense Council and should assume the political leadership of the antisubversive war. Following is the interview:

[EXPRESO] As of 17 May, 11 years have passed since the Communist Party of Peru-Shining Path [PCP-SL] declared war against the Peruvian state. What is your evaluation of these 11 years of internal war? Some people believe that Shining Path has begun the stage of strategic balance.

[Tapia] It is difficult to accept that Shining Path has reached that stage. That would presuppose their transition from a guerrilla war to a war of movements. It would also presuppose the establishment of a military structure making it possible for them to concentrate troops equivalent to a battalion.

Regarding the evaluation of the 11 years of war, I believe that Shining Path has grown and has expanded.

Between 1980 and 1983 Shining Path was in its first stage of guerrilla activity in Ayacucho, in the Province of Castrovirreyna in the Department of Huancavelica, and in the Province of Andahuaylas of the Department of Apurimac.

After the military counteroffensive of 1983, Shining Path had to withdraw from the zones where it had succeeded in organizing a substantial number of detachments. It began to extend itself throughout the whole country. Well now, this does not mean that SL is operating throughout the area under political and military control. It is often said, mistakenly, that 60 percent of the territory of Peru is subject to military activity by the subversives. However, this is not true.

Shining Path Is Not Viable

[EXPRESO] Some people, like Senator Javier Diez Canseco, consider that Shining Path is going through internal contradictions. Do you believe that SL is going through a crisis?

[Tapia] No, I do not think so. The internal differences have been resolved within Shining Path. What now exists is a contradiction with the so-called "opportunistic rightist line," which the SL leadership does not even question. Fortunately, SL has the kind of leadership provided by "President Gonzalo," which does not make it possible for it to make further progress.

It is one thing to say that "Shining Path is in a crisis." It is another, and very different thing to note that "the Shining Path program is not viable."

[EXPRESO] In your view what problems is SL facing in its strategy of a prolonged, people's war?

[Tapia] In the ideological field it is not facing any great problems. It is in the political aspect where it has problems. Shining Path has not yet been able to establish the Revolutionary Movement for the Defense of the People (MRDP) in the principal cities and especially in Lima. On the other hand, at the military level, SL has not succeeded in moving from a guerrilla war to a war of movements. Each time that SL has attempted to "regularize" its People's Guerrilla Army (EGP), it has been annihilated. This has happened, for example, in the Cerro de Pasco area and in the valley of the Rio Apurimac.

Political War

[EXPRESO] On the Peruvian political scene Shining Path's appearance over the past decade has had a particular impact on the political and ideological views of leftist groups. Do you agree with this view?

[Tapia] Yes. On this point it seems to me that the Shining Path phenomenon has made it possible for a representative sector of the Left to realize that the path of violence in revolutionary war is not possible in Peru. SL has developed this model, and the results are apparent. The SL phenomenon has made the Left, although critical of the political system, function within it and become its supporter. Now, if the Peruvian Left did not exist, SL could make much more progress.

[EXPRESO] At the round tables on antisubversive strategy sponsored by EXPRESO you have said repeatedly that it was necessary to "politicize the war." Could you explain what this means?

[Tapia] In the first place, it means treating the political aspect of the war as the most important and subordinating the military aspect to it, within a basic, antisubversive strategy.

In the second place, it means giving the strategy a democratic character. All of this presupposes changes in the command structure of this political war.

To do this, a National Defense Council should be established, like the one which EXPRESO is proposing. If there is a war scenario, it is necessary to act in accordance with it.

Ad Hoc Defense Council

[EXPRESO] How should this defense council be made up?

[Tapia] The president of the republic should preside over the defense council, and it should be made up of the ministers of economy, defense, interior, education, and agriculture, as well as the chief of the National Unified Command, who should have the rank of minister. Furthermore, it should include the chairman of the Joint Command of the Armed Forces, the chief of the National Intelligence System, and the secretary of national defense. The National Defense and/or Pacification Council should be the political command of the antisubversive war.

Unified Command

[EXPRESO] And how should the Unified Command be made up?

[Tapia] The National Unified Command (CUN) should have assigned to it professional military officers and top quality specialists who should serve as its general staff.

As the INIDEN [National Defense Institute] proposal states, "...All sectors of the government will place under the National Unified Command all civilian, military, and police personnel whom they decide to commit directly to countersubversive operations..."

Regional, subregional, and local commands should be set up, subordinate to the National Unified Command. These subordinate commands would be made up of representatives of the armed forces and of the Peruvian National Police (PNP), regional prefects and sub prefects (who should not only be persons enjoying the confidence of the executive branch of the central government but, as the law provides, nominated by regional governments and taking into account their qualifications for this new function), the chairmen of regional governments, and subregional development councils or town mayors, depending on the case.

In general terms the senior official of these unified commands should be a civilian, preferably the regional prefect. In some areas—due to the characteristics of the struggle—he could be a military officer.

As in all cases—and particularly in this one—where a new command structure is being set up, the selection of individuals, officials, and leaders (whether civilian or military) is of fundamental importance.

Pacification Committees

[EXPRESO] Where would Peace Councils be located in this structure?

[Tapia] The pacification committees should be set up at the national, regional, and subregional levels. They should have the task of receiving and processing opinions, criticisms, and complaints regarding the functioning of the unified commands. They should be made up of organizations representing professional groups, employer associations, central trade union organizations, farmers federations, the Catholic Church, etc.

Their function cannot be a passive one. They should promote all actions necessary to raise the level of public awareness and to organize and mobilize all of society.

[EXPRESO] You have not mentioned the political parties.

[Tapia] The political parties should not participate directly in these pacification committees. Too many interests are involved which could wind up muddling their functions and making it difficult for them to achieve their objectives.

What is certainly, absolutely necessary is to reach a national agreement on the struggle against subversion and pacification between the government and the majority of the political groups.

This serious responsibility must not be avoided.

* Terror 'Reigns' in Puno Department Provinces

91WR0239A Lima EXPRESO in Spanish 5 Jun 91 p 4

[Article by Aida Meza: "Violence and Fear in Azangaro, Melgar, Caraboya, and Sandia"]

[Text] Armed terrorist bands disguised in military and police uniforms and travelling on board military trucks are spreading terror, crime, and violence in the upland areas of the provinces of Azangaro, Melgar, Carabaya, and Sandia.

No car owner rents out his vehicle, and only a few transportation units travel to any of the provinces mentioned above, carrying local residents. Any unknown person is suspected of being a Shining Path terrorist or a police agent.

The situation is such that people living in upland areas such as Nunoa, Santa Rosa, and Orurillo (in Melgar province), or Tirapata and Asillo (in Azangaro province) go into the cities only once a week. To make the trip they use one or two trucks which are rented for the purpose or which belong to one of the residents.

Apparently, village residents do not want to have any greater problems with the terrorists and prefer to spend more time in their homes or in the fields which they farm.

Any road may be a regular site of ambushes either for military patrols or for vehicles carrying passengers.

Most often, in the recent past, strangers do not travel because they know what will happen afterwards. The homes in small hamlets are empty, and many of them have been boarded up.

Travelers coming from Azangaro, Carabaya, and Melgar, interviewed at interprovincial bus stops in Juliaca, agree in stating that the residents of farm communities often confuse the terrorists with Army troops.

A farmer said: "You cannot believe "mamacha" [meaning unknown]. They look alike. They all even have short haircuts. The terrorists have come from higher up in the mountains, from Huaripata and Luganillas, to take away the young men, saying that they have been called up for service. When we checked on this in the Army barracks recently, we learned that this was a lie."

He added that the vehicles which the terrorists employ are identical with those which the local military and police forces use. He stated: "They are small, green colored trucks. They also use trucks of different sizes."

Social Action

In Ayaviri (3 hours by train from Puno), there is a military camp led by commandos and specialists in the fight against subversion. A majority of the soldiers there are young men who are trained to go out at any time and head toward the place indicated by their commander, either on foot or in vehicles. That practice has succeeded in holding down terrorist activity.

The role which the military barracks plays is essential, since farming communities in different places, including even the municipal authorities, go there, not only to ask for protection but also for help in repairing roads or for medical attention for sick people.

Personnel of the Army are carrying out social action work, not only in Ayaviri but also in the other provinces under the command of Gen Roger Jordan Palomino, Peruvian Army [EP], who is the chief of the Political and Military Command of Puno.

This effort is regarded with sympathy by the farmers, who ask for more troops to be stationed in places considered critical, due to the threat of terrorist bands.

Abandoned Provinces

Difficulties in finding transportation kept us from visiting the small villages of Azangaro, Sandia, and Carabaya. However, we were able to travel easily to the cities of Ayaviri and Lampa. The municipal authorities of Ayaviri denounced their total neglect by the central government.

Deputy Mayor Guillermo Apaza Valencia (IU) [United Left] of Ayaviri urged that the state of emergency be lifted because, according to him, it has only worsened the problem of terrorism in the countryside.

He said: "Terrorism has increased in the northern area of the department, including the regions of San Roman, Huancane, Azangaro, Melgar, Sandia, and Carabaya."

He added that these areas do not receive any kind of support under any government program, as a result of which there is great unrest.

After stating that the majority of the provinces of the Department of Puno have been abandoned, Guillermo Apaza said that this situation is a real medium in which the Shining Path presence is becoming stronger in the northern area of the Department of Puno.

He said: "The people feel abandoned. No attention is paid to them, despite the fact that the whole Department of Puno has economic potential." He added that the budget of the regional government is only directed toward the southern area of the department, with nothing set aside for the North.

For example, he said that since 1972 there have been plans to pave the road from La Raya to Juliaca, which connects these two communities with Santa Rosa, Ayaviri, Pucara, and Calapuja. However, all action has been suspended. He continued: "No one listens to us. If that road were paved, our products would get better prices in the market. We want to raise our living level. There are projects on paper, but none of them is implemented."

He also referred to the fact that the only hospital in Ayaviri has been abandoned and has no surgical instruments. This situation is getting worse if you keep in mind that the health workers continue on strike. There are nine doctors and 90 hospital personnel assigned to this care center.

The building in which the Ayaviri prison is located does not look like a jail. It has the appearance of being a large, old, abandoned house. A wall 25 meters long has collapsed and is being rebuilt with the help of military personnel.

* Coca Growers React to Antidrug Agreement

* UHV Leader Supportive

91WD0847A Lima EL COMERCIO in Spanish 27 May 91 p A7

[Interview with Walter Tocas, leader of Front for the Defense and Eradication of Coca From the Upper Huallaga Valley, by E.S.S.; place and date not given]

[Text] Events and personal experience have turned Walter Tocas into a distrustful man. The repeated promises he has heard have never been kept, according to his own testimony.

For this reason he decided to organize and coordinate the Front for the Defense and Eradication of Coca From the Upper Huallaga Valley. This in turn led him to meet with Prime Minister Carlos Torres y Torres Lara and other government officials to discuss the antidrug agreement recently signed by the governments of Peru and the United States.

He is now changing his opinion and starting to believe that what was promised will be done. He therefore says that the 30,000 peasant-heads of family in the Upper Huallaga Valley whom he represents will support the agreement.

[E.S.S.] Why are you so skeptical?

[Tocas] Because a wealth of promises made to us have never been kept and we stood by and watched as they liquidated

15,000 hectares of coca crops in a lightning program of eradication without leaving us anything in its place.

[E.S.S.] Was it truly a devastating action?

[Tocas] Of course! Everything was done as part of the so-called Cora Plan. There was widespread abuse. They even took any money the peasants might have hidden in their mattresses on the pretext that it was the product of illegal sales.

[E.S.S.] But was that not true? After all, you were selling raw material to the drug traffickers.

[Tocas] Peasants are not interested in ideologies, partisan politics, or who the person buying from them is. They sell to the one who pays the highest price and that's all there is to it. It is a very simple, not at all difficult to understand.

[E.S.S.] Do you have solid backing?

[Tocas] I represent 49 communities in the Upper Huallaga Valley comprised of some 30,000 families. The total population is about 150,000 persons.

[E.S.S.] How did the number of planters in the area increase?

[Tocas] It happened between 1986 and 1987. When the Cora Plan was put into effect, thousands of peasants were thrown off their land. In order to survive, they had to go deeper into the interior to settle and go back to doing the only thing they knew how to do: grow coca. As a result, the area planted gradually expanded.

[E.S.S.] You sold the coca to Enaco [National Coca Enterprise]. Did its withdrawal force you to sell to the traffickers?

[Tocas] Enaco left the area around 1988. We do not examine people coming to buy our product under a microscope! We cannot precisely describe the status or profession of our buyers.

[E.S.S.] But were you not surprised by the fact that overnight, they offered double or triple the price for the coca leaves?

[Tocas] It is true that the price suddenly increased, but I repeat that we are in no position to be looking into all these details. It is simple logic: If there is an abundance, fine!

[E.S.S.] But you agree with a gradual substitution of crops, right?

[Tocas] Yes. We want to plant some alternative crop such as palmettos, corn, and so on, but how would we ship it out? We have no roads. La Marginal has been abandoned and is impassable. There are rice and corn-growing areas in San Martin that are dying for lack of a market and means of transportation. The grain rots and molds.

[E.S.S.] Getting back to the previous point, once a crop has been eradicated, they promised to help get others started. How did that turn out?

[Tocas] Badly. They gave us certificates to help us with money and implements in order to get another crop going, but nothing was ever done.

[E.S.S.] Did they offer any other alternative?

[Tocas] Of course. We have concrete projects. First of all, we do not want any sudden eradication. We want to substitute voluntarily. That is what we want, but they have to give us a reasonable amount of time to get the new crops started.

[E.S.S.] What happened with the annatto trees?

[Tocas] As part of the Cora Plan and with help from the United Nations, we tried to plant annattos, but the harvests were wasted. They rotted in the field because there was no way to process them locally.

[E.S.S.] It looks as if you are less distrustful now.

[Tocas] That is true. We think they do have good intentions of administering the money from the agreement properly. We do not want the funds allocated for a crop substitution program to end up in the pockets of irresponsible, corrupt officials.

[E.S.S.] Is that why you asked the United Nations to intervene?

[Tocas] Yes. We think it is the right organization to oversee the program properly.

[E.S.S.] There is talk of a hydroelectric plant and even a highway.

[Tocas] As I said before, we do have viable projects: a hydroelectric plant to create industry and a road starting from Uchiza, going through Huacrachuco and Sihuas, and leading to Chimbote. That is the shortest, most beneficial road.

[E.S.S.] We know you are also concerned about the environment and ecology.

[Tocas] That is an important point. The Cora Plan devastated both "Spike" and "Tibuteoron" indiscriminately, resulting in mold and polluting the atmosphere. Crops grown along with coca were decimated. We have verified this through a phytosanitary study we ordered from a Swiss-German organization.

[E.S.S.] And what are you asking for?

[Tocas] We want a special investigative commission to do a report on damage done to the ecology of the area and present alternative solutions before proceeding to plant other crops. The ground is contaminated.

[E.S.S.] You have certainly seen or know of the drug traffickers' airports.

[Tocas] That is not our business. I have not seen them myself. They must be deeper in.

[E.S.S.] But are you not pressured by the traffickers, particularly now since you want to have a new road?

[Tocas] No, sir. There has been no pressure of any kind.

* Cusco Growers To 'Fight'

91WD0847B Lima CAMBIO in Spanish 23 May 91 p 15

[Commentary by Francisco Gamarra, president of the Provincial Peasants Federation of La Convencion, Yanatile, and Lares in the Department of Cusco]

[Text] From the time of the Spanish conquest, peasants as a whole have been abandoned by the successive governments, but their neglect has reached intolerable limits. By signing the antidrug agreement with the United States, President Fujimori is trying, in an irrational manner, to put coca producers in the hands of Yankee imperialism which, by virtue of its weapons, wants to subject our people to its tutelage.

Those of us who grow the sacred leaf, which is part of our cultural heritage, reject any attempt at imperialist intervention. We peasants are ready to fight and die to defend our native crop, which is our basic sustenance and livelihood.

Coca production is not only part of our tradition, but has now become an economic asset for peasants and the country in general.

Expansion of the coca crop for the purposes of drug trafficking is the result of successive antipeasant economic policies designed to benefit transnational companies.

We coca producers are viewed as killers who poison other societies because, in fact, the governments of consumer countries are shirking their responsibility since they cannot solve their own problems.

Consequently, they want to turn us into victims of military repression, first of all, through programs of forced eradication and crop substitution and now, by sending Yankee advisers who want to impose war on us.

In the case of La Convencion, the coca planting areas are not large. They are found on very rugged slopes where nothing else can be grown. Consequently, any possible crop substitution is doomed to failure.

So far, a negative approach has been taken to the coca problem, when in reality the opposite should be true. This leaf contains vitamins and proteins and its industrialization would be highly beneficial for the peasantry and national industry.

Given the possibility of military violence being unleashed upon our communities, we are hereby warning the government that we shall not be responsible for any acts of violence on the part of peasants if military forces take action.

With respect to the Autonomous Alternative Development Authority (AADA), this institution does not represent any guarantee for us peasants due to the fact that it is over the ministries, and it is this agency which will decide the most suitable measures for eradication, acting in coordination with the armed forces.

The only way to solve the problem of coca production is the creation of a National Coca Institute which would outline areas of production and govern its marketing within the framework of a national and international plan.

For these reasons, we oppose having the most profitable product of our agricultural economy be the only one doomed to different treatment, denying it the possibility of serving as a foundation for development based on coca, which we see as the only alternative within our reach.

We reject the signing of the antidrug agreement with the United States and reaffirm our position of defending ourselves using all means at our disposal against militarization and the American presence in our territory.

Uruguay

Visa Requirements With Hungary Eliminated

PY0107034291 Montevideo EL PAIS in Spanish 11 Jun 91 p 11

[Summary] Budapest, 17 [no month as published] (EFE)—Janos Herman, Hungarian Foreign Ministry spokesman, told EFE today that as of 14 August 1991 Hungary and Uruguay will no longer require visas for visits by their respective citizens. As of that date, Hungarian and Uruguayan citizens will be allowed to remain in the respective countries for 90 days without a special permit.

Measures Implemented To Prevent Money Laundering

PY0207234891 Montevideo EL PAIS in Spanish 18 Jun 91 p 9

[Text] The Uruguayan Central Bank [BCU] has ordered all enterprises that belong to the Exchange Market to identify the people who exchange easily convertible notes worth more than $10,000. This measure is part of a BCU program to reinforce legal measures currently in force to fight laundering of ill-gotten capital.

According to this new measure, those who exchange money for more than $10,000 (or its equivalent in other currencies), be it through checks, tranfers, bank deposits, shares, precious metals, or other easily convertible assets, must identify themselves.

This measure comes on top of those currently in force demanding the identification of individuals or enterprises that have bank accounts.

The BCU decision was announced to all enterprises that belong to the Exchange Market, including banks, financial institutions, foreign financial organizations, financial cooperatives, and exchange offices.